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# BUDGET ESTIMATES

FOR THE

# UNITED STATES DEPARTMENT OF AGRICULTURE

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1987



A SEPARATE FROM THE BUDGET OF THE UNITED STATES GOVERNMENT

1987



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A Separate from the Budget of the United States Government 1987



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# TABLE OF CONTENTS

MATERIAL FROM THE 1987 BUDGET:	Page
PART 5-MEETING NATIONAL NEEDS: THE FEDERAL PROGRAM BY FUNCTION	
International Affairs Energy Natural Resources and Environment Agriculture Commerce and Housing Credit Community and Regional Development Income Security General Purpose Fiscal Assistance PART 6—PERSPECTIVES ON THE BUDGET	5-16 5-31 5-40 5-50 5-57 5-77 5-111 5-149
	0 0
Fiscal Activities Outside the Federal Budget	6a-6 6a-29
PART 8—THE FEDERAL PROGRAM BY AGENCY AND ACCOUNT	
Department of Agriculture Commodity Futures Trading Commission Farm Credit Administration Budget Totals Footnotes	6d-37 6d-23 6d-23 6d-26 6d-26
PART 9—SUMMARY TABLES	
Tables 1—12	6e-7 6e-23 6e-26
Programs in the 1987 Budget, Projections of Costs  Table 16—Controllability of Outlays, 1985-87  Table 17—Receipts by Source, 1977-87  Table 18—Outlays by Function and Subfunction, 1977-87  Table 19—Federal Finances and the Gross National Product,	6e-29 6e-30 6e-32 6e-34
1968-89	6e-41 6e-43
Table 22—Total Receipts and Outlays, 1789-1991  Table 23—On-Budget and Off-Budget Receipts and Outlays, 1937-1991	6e-45 6e-46

#### MATERIAL FROM THE 1987 BUDGET APPENDIX:

Estimates of Current Appropriations in Detail:	
Agricultural Cooperative Service	I-E111
Agricultural Marketing Service	I-E93
Agricultural Research Service	I-E9
Agricultural Stabilization and Conservation Service	I-E26
Animal and Plant Health Inspection Service	I-E87
Commodity Credit Corporation	I-E36
Commodity Futures Trading Commission	I-Z12
Cooperative State Research Service	I-E12
Departmental Administration	I-E2
Extension Service	I-E13
Economic Research Service	I-E17
Farm Credit Administration	I-Z22
Farmers Home Administration	I-E56
Federal Crop Insurance Corporation	I-E31
Federal Grain Inspection Service	I-E90
Food and Nutrition Service	I-E104
Food Safety and Inspection Service	I-E102
Foreign Agricultural Service	I-E19
Foreign Assistance Programs (P.L. 480)	I-E23
Forest Service	I-E112
General Provisions:	
Department of Agriculture	I-E129
Forest Service (Administrative Provisions)	I-E128
National Agricultural Library	I-E15
Human Nutrition Information Service	I-E109
Office of Governmental and Public Affairs	I-E6
Office of International Cooperation and Development	I-E21
Office of Rural Development Policy	I-E46
Office of the General Counsel	I-E8
Office of the Inspector General	I-E7
Office of the Secretary	I-E1
Office of Transportation	I-E101
Packers and Stockyards Administration	I-E110
Rural Electrification Administration	I-E46
Soil Conservation Service	I-E78
Statistical Reporting Service	I-E16
Working Capital Fund	I-E5
World Agricultural Outlook Board	I-E18
SUPPLEMENTALS	II-6
RESCISSIONS	II-23
ADVANCE APPROPRIATIONS, ADVANCED FUNDING, AND	
FORWARD FUNDING FOR 1987	III-2
FURWARD FUNDING FUR 1987	111-2
GOVERNMENT SPONSORED ENTERPRISES:	
Farm Credit Administration	IV-7

#### INTERNATIONAL AFFAIRS

The Federal Government bears the primary responsibility for protecting and advancing the interests of the United States and its people in international affairs. To fulfill that responsibility, the foreign policy of the United States is directed toward achieving a world order that provides peace, security, and prosperity, in which individuals may enjoy political and economic freedom. Current efforts, however, take place in a period of increasing international terrorism and political instability. The international affairs expenditures proposed in this budget support U.S. foreign policy and national security objectives in these difficult times.

For 1987, \$22.6 billion in budget authority is requested and outlays of \$18.6 billion are estimated. Total outlays in 1986 are estimated to be \$17.1 billion. For 1987, total new direct loan obligations for international affairs are proposed to be \$8.1 billion, and total new guaranteed loan commitments are proposed to be \$12.2 billion.

**Foreign aid.**—Two budget subfunctions—international security assistance and international development and humanitarian assistance—comprise foreign aid.

International security assistance.—Security assistance programs are vital instruments in the exercise of national security and foreign policy and serve to strengthen allied and friendly governments where the United States has special security concerns. These programs make it possible for other governments to strengthen their economies and to acquire and use modern military equipment necessary for their defense. Security assistance also helps ensure U.S. access to military bases and facilities overseas. Because of the importance of national security objectives, an increase in 1987 budget authority to \$11.3 billion is proposed, \$1.0 billion more than the 1986 level. Outlays are estimated to be \$10.9 billion in 1987.

Foreign military sales credit.—This program, administered by the Department of Defense, provides financing for foreign governments to purchase U.S. military equipment, training, and design and construction services for their security needs. For 1987, budget authority of \$6.1 billion is requested and outlays of \$5.8 billion are estimated. In the face of challenges to U.S. interests and economic difficulties in many parts of the world, the budget continues to include a substantial amount for forgiven loans and loans with grace periods and interest rates favorable to the recipient. In addition to these concessional programs, a major part of the program provides credit at rates slightly higher than the rates paid by the Treasury.

Military assistance.—Providing financing for the same types of articles and services as the foreign military sales credit program, these grants enable countries to avoid the economic burden of debt repayments. For 1987, budget authority of \$1.0 billion is requested. Outlays are estimated to be \$1.0 billion.

Economic support fund.—This fund finances programs in over 50 countries; the largest portion goes to countries where there are special political and security concerns. Loans and grants support the general budget and balance of payments of friendly governments and finance individual development projects where doing so enhances our ability to achieve important national security objectives. Aid to Egypt and Israel accounts for approximately half of the program. The proposed budget authority for 1987 is \$4.1 billion, \$0.4 billion for direct loans and the remainder for grants. Outlays are estimated to be \$4.1 billion.

Other.—The budget authority requested in 1987 for security assistance includes \$39 million for peacekeeping operations, \$69 million for international military education and training, and \$10 million for anti-terrorism assistance.

International development and humanitarian assistance.—An important complement to security assistance is the achievement of international policy objectives through international development and humanitarian assistance programs. These programs are designed to encourage the expansion of a market-oriented international economic system and to help meet the development and humanitarian needs of developing countries. Budget authority requested for 1987 is \$4.9 billion, roughly the same as in 1986.

Multilateral development banks.—The United States contributes to the World Bank group of institutions and regional banks for Latin America, Asia, and Africa. These institutions provided more than \$23 billion in long-term loans and technical assistance in 1985 and promoted sound economic policies in recipient countries. Lending programs are funded through the direct contributions of members and through borrowing in world capital markets backed by guaranteed repayment of that borrowing by member governments ("callable capital"). Both are provided in accord with multi-year international agreements to replenish the resources of each bank.

In April 1985, the World Bank established the Special Facility for Sub-Saharan Africa to provide credits to countries committed to medium-term programs of policy reform. Direct and indirect contributions from other donors total approximately \$1.4 billion. In 1986, \$75 million was provided to support this effort. The U.S. contribu-

#### NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

Major missions and programs	1985 actual	1986 eslimale	1987 eslimale	1988 eslimale	1989 estimale
BUDGET AUTHORITY					
Foreign aid:					
International security assistance: Foreign military sales loans (DOD)	4.940	4.967	5.661	5,771	5.870
Foreign military sales loans (FFB)	1.683	950	473	303	173
Military assistance	805	748	996	1,016	1,033
Economic support fund	6,160	3,547	4,094	4,174	4,245
Other Offsetting receipts	214 —71	97 -68	118 70	121 -126	123   —160
ŭ ,					
Subtotal, International security assistance	13,730	10,241	11,272	11,259	11,283
International development and humanitarian as-					
sistance: Multilateral development banks:					
Existing law	1,548	1,143	1,348	1,400	1,400
Proposed legislation			44	2,100	2,100
International organizations	359	226	186	190	193
Agency for International Development	2,492	1,992	2,098	2,114	2,150
P.L. 480 food aid Refugee assistance	1,964 363	1,243	1,164	1,175	1,192
Other:	303	324	373	331	332
Existing law	249	217	232	238	244
Proposed legislation		50			
Offsetting receipts	<b>— 479</b>	<b>—</b> 524	<b>—</b> 552	-601	<b>— 585</b>
Subtotal, International development and humani-					
tarian assistance	6,496	4,672	4,893	4,847	4,925
Subtotal, Foreign aid	20,227	14,913	16,166	16,106	16,208
		,			
Conduct of foreign affairs: Administration of foreign affairs	1.895	2,440	3,238	2,880	2,767
International organizations and conferences	545	477	493	467	483
Other	70	79	98	99	99
Subtotal, Conduct of foreign affairs	2,510	2,996	3,830	3,446	3,348
Foreign information and exchange activities	940	970	1,129	1,267	1,296
International financial programs:					
Foreign military sales trust fund (net)	2.862	2,000	1,300	800	700
Fair export financing program		2,000	300		
Offsetting receipts	<b>—85</b>	87	<b>—89</b>	<b>-90</b>	<b>— 92</b>
Subtotal, International financial programs	2,776	1,913	1,511	710	608
Total, budget authority	26,453	20,792	22,636	21,529	21,460

tion complements and supports the administration's proposal for a comprehensive IMF/IBRD policy framework approach in the poorest countries with protracted balance-of-payments problems.

To support international commitments to the multilateral development banks, the 1987 request includes proposed budget authority of \$1.4 billion. Approximately one-half of the proposed budget authority will be used to meet existing commitments to the Interna-

#### NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
OUTLAYS					
Foreign aid:					
International security assistance:					
Foreign military sales loans (DOD)	2,275	3,770	6,121	5,916	5,935
Foreign military sales loans (FFB)	978	187	<b>—306</b>	<b>—440</b>	-613
Military assistance	848	761	992	1,014	1,033
Economic support fund	4,889	4,809	4,058	4,291	4,229
Other		236	144	150	155
Offsetting receipts	<u>-71</u>	<b>-68</b>	<b>—70</b>	<b>—126</b>	-160
Subtotal, International security assistance	9,391	9,695	10,939	10,806	10,578
International development and humanitarian as-					
sistance:	1				
Multilateral development banks:					
Existing law	1,427	1,189	1,552	1,565	1,353
Proposed legislation			22		
International organizations	336	300	226	237	234
Agency for International Development		2,093	2,084	2,081	2,075
P.L. 480 food aid		1,373	1,158	1,175	1,192
Refugee assistance	385	343	340	345	334
Other:	0.5	117	100	110	104
Existing law		117	108	116	124
Proposed legislation		10	40		
Offsetting receipts	<u> 479</u>	<u> </u>	<b>— 552</b>	<u>-601</u>	<b>— 585</b>
Subtotal, International development and humani-					
tarian assistance	5,409	4,902	4,978	4,918	4,727
				45.554	45.005
Subtotal, Foreign aid	14,799	14,597	15,916	15,724	15,305
Conduct of foreign affairs:					
Administration of foreign affairs	1.462	1,765	2,472	2,557	2,878
International organizations and conferences	540	514	487	471	482
Other	52	85	96	99	99
	<del>-</del>				
Subtotal, Conduct of foreign affairs	2,054	2,364	3,055	3,127	3,459
Foreign information and exchange activities	793	931	1,043	1,120	1,220
International financial programs:					
Foreign military sales trust fund (net)	143	-300	-200	- 200	-100
Export-Import Bank:					
Existing law	<b>— 384</b>	-156	<b>— 950</b>	_1,397	-1,744
Proposed legislation			-5		
Fair export financing program			16	56	64
Other	-1,145	-208	-167	-80	-75
Offsetting receipts	<b>—85</b>	<b>—87</b>	<b>— 89</b>	<u>-90</u>	<b>—92</b>
Subtotal, International financial programs	-1,471	<b>—751</b>	-1,395	-1,712	-1,947
Total, outlays	16,176	17,141	18,619	18,259	18,037

tional Development Association. The administration has also proposed a one-time subscription to the World Bank's Multilateral Investment Guarantee Agency, a new institution established to insure investment in developing countries against non-commercial risks. The remaining funds will be used to make authorized annual

payments in fulfillment of existing commitments to the other multilateral banks.

International organizations.—Voluntary contributions of \$186 million are proposed for several developmental, humanitarian and scientific programs carried out by the United Nations and other international organizations—\$40 million below the 1986 level. The administration believes that, useful as some of these programs may be, a higher priority must be afforded other foreign assistance activities accomplishing the same objectives.

Funding for the International Fund for Agricultural Development has not been included, pending the outcome of replenishment negotiations. If an agreement is reached to participate in a replenishment, funding of approximately \$30 million will be accommodated within overall foreign aid resource levels with no increase in budget authority from the proposed 1987 level.

Agency for International Development (AID).—AID carries out bilateral development assistance programs in more than 60 countries in Latin America, Africa and Asia. The agency also supports the overseas humanitarian relief and development programs of U.S. private and voluntary organizations and assists development-related research activities in U.S. universities. Proposed budget authority for AID programs for 1987 is \$2.1 billion, approximately the same as for 1986. Principal objectives of bilateral development programs include supporting sound economic policies in recipient countries, utilizing the private sector as a vehicle for economic growth, improving the capability of indigenous institutions in developing countries, and increasing the use of science and technology in development.

The administration proposes to terminate AID's housing guaranty program in 1987. This program's inability to remain self-sustaining, combined with the increasing ability of regular and economic assistance programs to support sound urban shelter programs in developing countries, obviates the need for its continuation.

Public Law 480 food aid.—Food aid is provided to foreign governments through programs of direct food donations and concessional financing. The program serves a wide range of policy objectives, including humanitarian relief, enhancement of U.S. security, economic development, and export market development. The budget includes a request of \$1.2 billion in budget authority for 1987, approximately the same as 1986.

Refugee assistance.—In response to the pressing needs of refugees in many parts of the world, the United States will continue its refugee assistance program at slightly above the 1986 level. Budget authority of \$373 million is requested for refugee relief abroad,

including Africa, the Near East, Pakistan, Latin America, and Southeast Asia, and for the admission of 66,000 refugees to the United States. Additional assistance received by refugees once they are settled in the United States is included in the income security function.

Overseas Private Investment Corporation (OPIC).—The corporation operates on a self-sustaining basis and carries out programs to encourage the participation of the U.S. private sector in the social and economic development of less developed friendly countries. The principal programs are political risk insurance and investment financing. The administration proposes that OPIC be privatized. The means by which this decision will be implemented will be developed starting in 1986 by an interagency task force, chaired by the Council of Economic Advisers.

Conduct of foreign affairs.—Funds for these programs primarily cover the operating costs of the Department of State in administering United States foreign policy and contributions assessed by international organizations of which the United States is a member. Budget authority of \$3.8 billion is proposed for 1987 compared to \$3.0 billion for 1986, and outlays are estimated to be \$3.1 billion. The \$0.8 billion increase in budget authority is primarily for the increased physical security of U.S. embassies.

Administration of foreign affairs.—Diplomatic and consular relations are conducted with foreign governments and international organizations. Over 260 diplomatic and consular posts are maintained throughout the world.

During 1985, a public advisory panel and the Department of State conducted an appraisal of the terrorist threat to U.S. employees and facilities of all agencies at diplomatic missions abroad. The panel concluded that a major, multi-year, effort to be led by the State Department is needed to improve security at home and abroad. New and renovated facilities, improved equipment, additional personnel, and increased protection of foreign diplomats in the United States are all necessary. This proposed multiyear program will require \$1.2 billion in budget authority for 1986 including a \$707 million supplemental appropriation, and \$1.7 billion in budget authority for 1987. In addition, increases are requested to strengthen the State Department's basic reporting and analysis capability and its automated administrative systems. The overall estimate of budget authority for administration of foreign affairs is \$3.2 billion for 1987, an increase of \$0.8 billion from 1986. Apart from the important embassy security program, the request includes only the most urgent increases for regular activities. Total outlays are estimated at \$1.8 billion for 1986 and \$2.5 billion for 1987.

International organizations and conferences.—For 1987, budget authority of \$493 million is proposed for assessed contributions to international organizations and for international conferences. The United States believes that, while many international organizations fulfill important needs, those organizations must be managed efficiently and economically. Toward that end, the administration will continue to pursue a restrictive budget policy for international organizations—a policy that strives for reductions in administrative costs and the elimination of low priority and obsolete activities. In addition, recently enacted law requires that U.S. assessed contributions to the United Nations and its specialized agencies be limited to 20% of each organization's budget beginning in 1987, unless it has adopted a voting sytstem on matters of budgetary consequence, under which each member's voting power is in direct proportion to its contributions. A total of \$78 million in budget authority and outlays has been deducted from assessments by the United Nations and its affiliated agencies for 1987 and similar amounts for the following years, pending adoption of voting rights changes.

Foreign information and exchange activities.—An important objective of this administration is to increase foreign understanding of the society and foreign policy of the United States. The United States Information Agency seeks to do so through personal contacts, academic and leadership exchanges, Voice of America radio broadcasting in English and 41 other languages, distribution of books and periodicals, television programming, English language teaching, and the operation of libraries and cultural centers in 127 countries. For 1987, the administration proposes \$960 million in budget authority for the agency, an increase of \$104 million from 1986. This continues the administration's effort to modernize and expand the Voice of America, the Nation's principal vehicle for communicating directly with the peoples of the world. The multiyear modernization program totalling \$1.3 billion includes funds for new transmitter facilities, replacement of equipment in existing facilities, and expanded broadcast programming. The request also provides increases for other activities such as educational and cultural exchange programs and the use of international television programming.

The Board for International Broadcasting provides grants to Radio Free Europe/Radio Liberty, Inc., which broadcasts in 21 languages to Eastern Europe and the Soviet Union. For 1987, \$168 million of budget authority is requested for the Board, which includes \$41 million for modernization of transmitter sites.

International financial programs.—To assist in the steady growth of the international economy, the United States conducts programs

#### CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

(In millions of dollars)

	Actual		Estim	Estimate		
	1985	1986	1987	1988	1989	
Direct loans:						
Foreign military sales credit:						
New obligations	4,940	4,967	5,661	5,771	5,870	
Change in outstandings	916	135	3,012	2,666	2,587	
OutstandingsForeign military sales credit (loans made by	1,056	1,191	4,203	6,869	9,455	
FFB) 1:						
Change in outstandings	978	187	- 306	<b>— 440</b>	-613	
Outstandings	18,089	18,275	17,969	17,529	16,916	
Economic support fund:	050	270	404	411	417	
New obligations	252	379	404	411	417	
Change in outstandingsOutstandings	210 6,222	309 6,531	308   6,839	313 7,151	317 7,468	
Development credit:	0,222	0,331	0,000	7,131	7,400	
New obligations	385	377	394	396	389	
Change in outstandings	2	-33	<b>—85</b>	82	65	
Outstandings	12,167	12,134	12,049	12,131	12,196	
Development credit (FFB loan assets) 2:	ا ۔	ا ۔				
Change in outstandings	$-\frac{5}{6}$	-5	-1	*		
Outstandings Public Law 480 food aid:	6	1	*	•••••••	ļ	
New obligations	975	906	827	843	859	
Change in outstandings	777	671	610	615	625	
Outstandings	10,046	10,717	11,327	11,942	12,567	
Export-Import Bank:		,		· ·		
New obligations	660	1,062				
Change in outstandings	-644	- 676	-1,210	-1,526	-1,898	
Outstandings	16,860	16,184	14,973	13,447	11,549	
New obligations	763	809	802	801	801	
Change in outstandings	387	127	33	34	35	
Outstandings	1,181	1,308	1,341	1,375	1,410	
Total direct loans.						
Total, direct loans: New obligations	7,974	8,501	8,088	8,222	8,335	
Change in outstandings	2,621	714	2,360	1,744	1.117	
Outstandings	65,626	66,341	68,701	70,445	71,562	
Guaranteed loans:						
Foreign military sales credit:	20	20	20	_20	_20	
Change in outstandings	-20 180	-20 160	- 20 140	120	100	
Development credit:	100	100	140	120	100	
New commitments	310	282	150	150		
Change in outstandings	94	97	118	166	159	
Outstandings	1,399	1,496	1,614	1,780	1,939	
Export-Import Bank:	7.040	11.404	10.000	10.000	10,000	
New commitments	7,849 555	11,484 1,324	12,000	12,000 855	12,000 797	
Change in outstandings	5,127	6,450	862 7,312	8,167	8.964	
o cocanonigo	5,127	0,400	7,012	0,107	0,304	
Total, guaranteed loans:						
New commitments	8,159	11,766	12,150	12,150	12,000	
Change in outstandings	- 481	1,401	960	1,001	937	
Outstandings	6,705	8,106	9,066	10,067	11,004	
Total, new obligations and new com-						

<sup>\* \$500,000</sup> or less.

1 Loans guaranteed by the agency and disbursed by FFB. They are counted as direct loans in the credit budget.

2 Loans made by the agency and subsequently sold to FFB. The agency guarantees and repurchases the loans when they mature.

to improve the international financial system and to facilitate U.S. participation in world trade, including arms sales. For 1987, proposed net budget authority is \$1.5 billion.

Export-Import Bank.—The Export-Import Bank currently administers a direct loan program at below market interest rates to promote U.S. export sales. Starting in 1987, the administration proposes to establish an interest rate subsidy program in the Bank using guaranteed loans in lieu of direct loans. Under the proposed program, the Bank will provide direct subsidies, up to \$100 million, to reduce the effective interest rates to borrowers for as much as \$1.8 billion of loans guaranteed by the Bank. The proposed program will match terms offered by other countries' official export credit programs within the framework of an international agreement that limits subsidies.

The administration will continue to press for an international agreement ending all officially subsidized export financing. Consistent with this objective, the administration is requesting \$300 million to create a fair export financing program to counteract the sometimes predatory practices of foreign governments in subsidizing exports.

Tax expenditures.—In an effort to encourage exports, a portion of the profits from the export sales of foreign sales corporations (FSCs) are not subject to tax. Also, tax expenditures occur when Americans working abroad are permitted to exclude substantial amounts of earned income and housing allowances from taxation. Tax expenditures resulting from FSCs and the foreign earned-income exclusion are \$1.8 billion and \$2.6 billion, respectively, for 1987. An additional tax expenditure of \$715 million results from the deferral of income tax on the undistributed earnings of foreign corporations controlled by U.S. shareholders. Total tax expenditures for international affairs are estimated to be \$5.0 billion in 1987. No changes are proposed for 1987.

#### **ENERGY**

The Nation needs adequate supplies of energy at reasonable prices. The best way to meet this need is to let market forces work. This policy produces favorable results, as experience shows. In January 1981 the President completed decontrol of U.S. oil markets. Since then, energy prices have fallen, oil imports are down, and the U.S. economy continues to expand, using less energy than in the past.

The budget provides resources needed to meet appropriate and limited Government responsibilities with respect to energy. Major initiatives are proposed which both provide new budget revenues and curtail the Federal Government's involvement in energy markets. These initiatives include:

- Sale of the naval petroleum reserves, which are no longer a significant factor in meeting defense energy supply requirements.
- Steps to privatize the Federal power marketing administrations, which can lead to more efficient operation and greater local control.
- Increased interest rates on loans and other reforms, which will reduce the subsidies provided by the Rural Electrification Administration.

A total of \$4.4 billion in budget authority is proposed for this function in 1987, a decrease of \$1.4 billion from 1986. This change results primarily from a \$0.6 billion reduction in funding for the Rural Electrification Administration and a \$0.7 billion reduction for energy research and development. Budget authority in this function excludes offsetting receipts from the proposed sale of the naval petroleum reserves beginning in 1987, and receipts from privatization of the power marketing administrations assumed in subsequent years. This income is classified as undistributed offsetting receipts, the last section in this part.

Energy supply.—The Federal Government's energy supply activities fall into three main categories: research and development (R&D), direct production programs, and subsidies for synthetic fuels and certain electric utilities and telephone systems.

A total of \$2.0 billion is proposed for energy supply research and development programs in 1987. Of this amount, \$1.4 billion is new budget authority in 1987 and the remainder is the use of prior year funds. The program level of \$2.0 billion represents a reduction of \$326 million from the level for 1986. The decrease results from refocusing the Government's energy R&D support and limiting the Federal role in such support.

Private industry invests billions of dollars each year in research and development, including R&D related to energy. The Federal

NATIONAL NEED: ENERGY

(Functional code 270; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
BUDGET AUTHORITY					
Energy supply: Research and development:			,		
Fission	414	375	332	257	257
Fusion		368	333	333	333
Fossil	289	312	83	156	162
Solar and renewable energy resources	242	205	85	112	116
Energy science	678	678	683	756	820
Other		364	459	435	419
Offsetting transfers		- 240	584	100	'10
Direct production (net):	- 00		001		
Uranium enrichment	238	176			
Federal power marketing:	230	170			
Existing law	-41	124	-126	2	19
Proposed legislation				_160	-110
Petroleum reserves:			-20	-100	- 110
Existing law	689	-818	885	<b>—747</b>	-678
Proposed legislation	- 003	-010	427	753	684
Proposed legislation Nuclear waste disposal	1 467	118	346	371	273
Tennessee Valley Authority	856	766	716	734	378
Other subsidies:	030	700	/10	/ 34	3/0
Nonconventional fuel production	1.464	23	*	*	*
Rural electric and telephone:	1,404	23			
Existing law	2.840	2.375	1.906	1.575	1.361
Proposed legislation	2,040	2,373		_ 60	
r roposed legislation			- 30	- 00	-40
Subtotal, Energy supply	5,511	4,577	3,651	4,519	3,950
Energy conservation:					
Conservation research and development	174	171	34	74	77
Conservation grants		257	5	4	3
Conservation grants	298	231	3	4	<u></u>
Subtotal, Energy conservation	472	428	39	78	80
Emergency energy preparedness	2,056	113	6	108	166
Energy information, policy, and regulation	719	673	658	627	621
Total, budget authority	8,758	5,791	4,355	5,332	4,817

<sup>\*\$500</sup> thousand or less.

Government should complement, rather than supplant, private sector R&D investment. It should limit its spending to support for basic research and other long term R&D where the benefits do not readily accrue to individual companies but assist industry as a whole in the future commercialization of new technologies. This policy is particularly applicable to non-nuclear R&D where industry is already making significant investments.

The budget authority request for nuclear fission R&D includes \$332 million for nuclear technology research, an 11% reduction from the 1986 level. Major portions of the nuclear fission R&D program are being restructured to phase down the advanced civilian reactor program, including breeder reactors, and to shift efforts toward R&D on reactor concepts that can meet space and military nuclear power requirements. The restructured program, while serv-

**NATIONAL NEED: ENERGY** 

(Functional code 270; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
OUTLAYS					
Energy supply:					
Research and development:		200	000	0.50	0.40
Fission	444	328	308	256	246
Fusion	437	377	353	360	360
Fossil		307	264	315	319
Solar and renewable energy resources	308	214	152	130	125
Energy science	634	607	676	744	799
Other	318	383	386	431	406
Offsetting transfers					
Direct production (net):					
Uranium enrichment	300	-110	<b>— 235</b>	<u> </u>	<b>—270</b>
Federal power marketing:					
Existing law	<b>—714</b>	<b>— 447</b>	434	<b>-462</b>	-519
Proposed legislation			-162	203	349
Petroleum reserves:					
Existing law	<b>— 687</b>	<b>-663</b>	<b>—846</b>	<b>—752</b>	-685
Proposed legislation			426	758	691
Nuclear waste disposal	-1,478	121	317	388	289
Tennessee Valley Authority	870	416	278	338	16
Other subsidies:					
Nonconventional fuel production	324	135	65	65	94
Rural electric and telephone:					
Existing law	1,521	1,076	1,406	1,075	861
Proposed legislation			<b>—96</b>	-60	- 46
Subtotal, Energy supply	2,615	2,745	2,858	3,519	3,033
Francisco concentrations					
Energy conservation:	151	107	00	00	00
Conservation research and development		137	90	90	80
Conservation grants	341	333	175	125	50
Subtotal, Energy conservation	491	470	265	215	130
Emergency energy preparedness	1,838	516	240	162	166
Energy information, policy, and regulation	740	702	654	624	618
Total, outlays	5,685	4,433	4,017	4,520	3,947

ing national security interests, will also maintain a technical and industrial base for any future deployment of advanced nuclear technologies in the commercial sector.

For nuclear fusion R&D, budget authority of \$333 million is proposed, a reduction of \$35 million from the level in 1986. This reduction slows the pace of fusion reactor development consistent with national energy needs and the potential contribution of fusion power. In 1987 program emphasis will continue to shift toward resolving scientific questions key to the ultimate achievement of fusion energy. In addition, studies to support the President's Geneva initiative on expanded cooperation with the Soviet Union in the area of magnetic fusion will begin in 1987.

The budget proposes a program level of \$150 million for research related to fossil fuels, comprised of \$83 million in new budget

authority and \$67 million from prior year funds. This program level is a reduction of \$162 million from 1986. The work continues to emphasize clean use of coal, with \$91 million of budget authority devoted to coal-related activities. The program supports research in universities and national laboratories and cooperative R&D with industry.

In 1986, Congress provided \$400 million to subsidize commercialscale demonstrations of clean coal technologies. The budget assumes that outlays for this program will be \$4 million in 1986 and \$94 million in 1987 and that industry will pay for at least 50% of the cost of these plants.

A program level of \$108 million, comprised of \$85 million of new budget authority and \$23 million from prior year funds, is proposed in 1987 for solar and renewable energy research, a reduction of \$97 million from 1986. The research covers a broad range of technologies. Like fossil fuel R&D, it includes a university research component and applied research in cooperation with industry.

The reduced budget authority proposed for fossil, solar and other non-nuclear R&D will still support vigorous programs of research on longer-term concepts that can later be applied by industry, while eliminating Federal subsidies for proprietary product or process development. Increased cooperation with and investment by industry in general technology development will support industry broadly with greater cost effectiveness and more effective technology transfer. It also reduces the need for continuing previous levels of Federal investment.

For energy science programs, the budget includes \$683 million in new budget authority in 1987, in addition to the use of \$38 million of prior year funds, for a program level of \$721 million, an increase of \$43 million over 1986. These programs support energy-related basic research at major universities and Department of Energy (DOE) national laboratories in the physical, biological, environmental, and engineering sciences. Their goal is to provide fundamental scientific knowledge and a broadened engineering data base for future industry development of energy technologies.

Other energy supply R&D programs include DOE research on health and safety issues and Environmental Protection Agency research on acid rain and on advanced environmental control technologies. Investments to reduce the use of energy at the national laboratories are also included, together with spending for environmental cleanup at DOE sites. For the nuclear fission remedial action program, \$301 million is proposed in 1987, a \$55 million increase over 1986, to accelerate the cleanup of waste from uranium mining and other contaminated sites.

ENERGY 5-35

The administration proposes privatization of two of the Federal Government's *direct production activities*: the naval petroleum reserves (NPRs) and the power marketing administrations (PMAs).

The NPRs are located at Elk Hills, California and Teapot Dome, Wyoming. These oil fields have outlived their usefulness as national security assets. The strategic petroleum reserve is a much better energy reserve. It can pump out oil 30 times faster in an emergency. The budget assumes the oil fields are sold competitively for \$3.6 billion. The proceeds from this sale are not included in this function; instead, they are classified as undistributed offsetting receipts.

The five Federal PMAs were originally established to sell power generated at Federal dams. Today they account for 6% of the power generated in the country. Privatization of the PMAs can provide greater regional control over these assets, and result in a more efficient power system for electricity customers.

The administration plans to pursue privatization through an open, competitive process—working with the congressional committees, State and local officials, current customers and all interested parties. The objectives of the process are to obtain a fair return to the Federal Government while recognizing and providing appropriate protection for the interests of customers and employees, and to promote efficient use of scarce and valuable energy resources. Although the public discussions and legislative proposals will begin in 1986, it is likely that the process will take several years. The budget assumes that privatization of the Bonneville and Southwestern Power Administrations will occur in 1988 and privatization of the other three PMAs in succeeding years, but this schedule could vary depending on response to the privatization proposal. Similar to the treatment of the NPRs, the proceeds from the sale of PMAs are not included in this function. They are instead classified below as undistributed offsetting receipts.

In 1986, the uranium enrichment program will establish a long-term repayment schedule for recovery of \$3.5 billion of prior year Federal Government costs. In 1987, annual receipts will not only fully offset current operating costs, but also return \$235 million to the Treasury in partial repayment of past unrecovered costs. Also in 1987, DOE will take initial steps to transfer the responsibility for further development of enrichment technologies and plant capacity to the private sector.

The commercial nuclear waste program is financed by a fee on electricity generated by nuclear power plants. In 1985, utilities made a one-time advance payment of this fee of \$1.4 billion to the nuclear waste disposal fund for the disposal of their spent nuclear fuel. Proposed budget authority of \$346 million in 1987 results from expenses of \$769 million that are partly offset by receipts of \$423 million. This represents an increase of \$228 million over the 1986

level. The increase includes funds for exploratory shafts at three sites that will be recommended as candidates for the permanent repository. Funds are also requested for the proposed monitored retrievable storage facility.

The Tennessee Valley Authority (TVA) estimates its total borrowing (budget) authority to be \$716 million in 1987, a decrease of \$50 million from 1986. Of this total amount, \$549 million is direct borrowing by TVA from the Federal Financing Bank (FFB) to help finance the agency's two remaining nuclear power plants, Watts Bar and Bellefonte. The funds will also be used for other power system modifications and upgrades. The remaining \$167 million represents borrowing by Seven States Energy Corporation from the FFB, borrowing that is backed by TVA. This borrowing will finance new acquisitions of nuclear fuel. TVA's economic development programs are described in the community and regional development function.

Congress has terminated the Synthetic Fuels Corporation. The Corporation was established in 1980 to provide *subsidies for non-conventional fuel production*. World oil prices have fallen since the Corporation was created, greatly reducing prospects for near-term commercial production of synthetic fuels. The Congress rescinded the balance of funds available to the Corporation, except for \$10 million for its liquidation by April 1, 1986. Congress transferred responsibility to the Secretary of the Treasury for the Corporation's previously approved projects, whose outlays are estimated at \$36.5 million in 1987.

The Rural Electrification Administration (REA) in the Department of Agriculture provides direct loans and guarantees of direct loans by the Federal Financing Bank (FFB) for the construction and operation of rural electric utilities and telephone systems. Total REA loans outstanding, including FFB direct loans, are estimated to be \$38.1 billion at the end of 1986.

The administration is proposing that rural electric systems increase their reliance on private financing and that all REA lending programs be phased out by 1990. Consistent with this approach, the budget proposes that REA reduce its direct loan obligations in 1987 by \$1.0 billion from the 1986 level. REA currently charges a 5% interest rate on its direct loans; legislation is being proposed to raise the interest rate on new loans to the cost of Treasury borrowing plus 1-1/8%, thus reducing the subsidy REA provides. Finally, the administration proposes to assess a fee on all generation and transmission facility borrowers to recover any defaults on their loan repayments.

Energy conservation.—The budget proposes a total of \$39 million in new budget authority for programs in this subfunction, which

#### CREDIT PROGRAMS—ENERGY

(In millions of dollars)

· ·	llions of dollars)				
	actual		Estima	te	
	1985	1986	1987	1988	1989
Direct loans:					
Alternative fuels production (loans made by					
FFB) 1:	1 200				
Change in outstandingsTVA fund:	—1,290  .				•••••
New obligations	63	66	69	70	67
Change in outstandings	-2	-1	-3	-1	*
OutstandingsTVA fund (loans made by FFB) 1:	259	259	255	254	254
New obligations	206	248	167	165	145
Change in outstandings	96	136	-147	-147	-159
Outstandings	1,651	1,787	1,640	1,493	1,334
New obligations	1.738	1.196	435	290	145
Change in outstandings	74	<b>– 45</b>	-85	<b>-94</b>	-101
Outstandings	10,237	10,191	10,107	10,012	9,912
Rural electrification (loans made by FFB) 1: New obligations	2,063	2,019	1,815	1,500	1.300
Change in outstandings	1,088	719	1,304	993	797
Outstandings	21,675	22,394	23,698	24,691	25,488
Rural electrification (FFB loan assets) <sup>2</sup> : Change in outstandings	100	227			*
Outstandings	188 3,724	327   . 4,051	4,051	4.051	4,051
Geothermal resources and other:	0,721	1,001		,,,,,,	.,,,,,
New obligations	12	33	20		
Change in outstandings	8 20	18 39	17 56	-43 13	-13
Geothermal resources and other (loans made by	20	33	30	10	
FFB) 1:					
Change in outstandings	<u>-6</u>				
Total, direct loans:					
New obligations	4,083	3,562	2,506	2,025	1,657
Change in outstandings	155	1,154	1,086	707	525 41,039
Outstandings	37,568	38,721	39,807	40,515	41,039
Guaranteed loans:					
Biomass energy development:					
Change in outstandings Outstandings	300 512	287 800	273 1,072	-12   1,060	-12 1,048
Rural electrification:	312	000	1,072	1,000	1,040
Change in outstandings	135	128	128	88	38
Outstandings	1,045	1,173	1,301	1,389	1,427
Synthetic fuels: New commitments	60				
Change in outstandings	4	4	12	3	-12
Outstandings	4	8	20	23	11
TVA fund: Change in outstandings				-1	
Outstandings	1	1	1 .		
Geothermal resources and other:	10				
Change in outstandings Outstandings	$-\frac{12}{23}$	$-\frac{13}{10}$	10	10	10
	23	10	10	10	10
Total, guaranteed loans:					
New commitments	60 427	406	413	78	14
Change in outstandings Outstandings	1,585	1,991	2,404	2,482	2,496
o-	-,000	-,001	-,101	2,102	
Total, new obligations and new com-					
mitments	4,143	3,562	2,506	2,025	1,657

<sup>\* \$500,000</sup> or less.

1 Loans guaranteed by the agency and disbursed by FFB. They are counted as direct loans in the credit budget.

2 Loans made by the agency and subsequently sold to FFB. The agency guarantees and repurchases the loans when they mature.

include energy conservation research and development and State and local conservation grants.

Energy conservation R&D supports development of methods to use energy more efficiently in buildings, transportation, and industry. A program level of \$71 million, comprised of \$34 million in new budget authority and \$37 million from prior year funds is proposed for these activities, a reduction of \$100 million from 1986. The reduction largely reflects proposed elimination of Federal support for development of specific proprietary products for individual companies because this is not an appropriate Federal role.

This subfunction also includes State and local government energy grant programs. These grants are used to weatherize school buildings, hospitals, and the homes of low-income families. They also support State energy planning and extension activities. The budget proposes to terminate Federal support for these programs, since they are more properly State and local responsibilities. In addition, it is anticipated that funds will be made available to the States for these and other energy-related programs as a result of final resolution of a number of cases involving petroleum pricing violations under the former oil price control program.

Emergency energy preparedness.— Administration policy for dealing with disruptions in oil supplies is to rely on market forces. To supplement this basic approach, the administration built the strategic petroleum reserve (SPR) from a level of about 100 million barrels in 1980 to about 500 million barrels in 1986.

World oil market conditions have changed significantly since the SPR was begun. The world's supply of oil produced outside the Middle East has increased. The SPR can now provide a substantial level of protection in the event of an oil supply disruption. Consequently, the administration is proposing an indefinite moratorium on further development of SPR when the reserve reaches 500 million barrels. This moratorium will be reassessed as economic and oil market conditions change.

As a result of the proposed moratorium, no additional budget authority is requested for the SPR in 1987. Outlays of \$240 million for this subfunction improve the SPR oil distribution system and maintain the reserve in a state of readiness.

Energy information, policy, and regulation.—Budget authority for energy information, policy, and regulation is proposed to be \$658 million in 1987, a \$15 million reduction from 1986 levels. Included in this total is \$405 million to support the work of the Nuclear Regulatory Commission. This subfunction also includes, for the Department of Energy, the operating expenses of the Federal Energy Regulatory Commission and the Energy Information Ad-

ENERGY 5-39

ministration, as well as the Department's general administrative expenses.

Tax expenditures.—To encourage energy exploration and production, the tax code permits certain capital costs to be deducted as current expenses rather than amortized over the useful life of the property. In addition, extractive industries are generally permitted to use percentage depletion rather than cost depletion.

A number of residential tax incentives designed to stimulate energy conservation and encourage conversion to energy sources other than oil or natural gas were allowed to expire on December 31, 1985. In addition to the normally available investment tax credit, business investments in specified energy property were also eligible for special tax credits, which also expired at the end of 1985.

Tax expenditures for energy are listed in the accompanying table and discussed in more detail in Special Analysis G, "Tax Expenditures."

#### TAX EXPENDITURES FOR ENERGY

(Outlay equivalents; in millions of dollars)

Description		Estimates		
Description	1985	1986	1987	
Expensing of exploration and development costs:				
Oil and gas	490	620	925	
Other fuels	60	65	70	
Excess of percentage over cost depletion:				
Oil and gas	2,005	1,880	1,850	
Other fuels	460	490	525	
Capital gains treatment of royalties on coal	130	135	140	
Exclusion of interest on State and local industrial development bonds for certain	100	140	155	
energy facilities	130	140	155	
Residential energy credits:	450	175	20	
Supply incentives	295	70	20	
Alternative, conservation and new technology credits:	233	,,,		
Supply incentives	385	190	80	
Conservation incentives		*	*	
Alternative fuel production credit	15	15	15	
Energy credit for intercity buses	15	5	*	
Special rules for mining reclamation reserves	40	55	70	
Total (after interactions), energy <sup>1</sup>	3,175	2,725	2,735	

<sup>\*500</sup> thousand or less.

¹ The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore the estimates cannot simply be added.

#### NATURAL RESOURCES AND ENVIRONMENT

Federal natural resources and environment programs manage public lands and resources for their preservation, conservation, and economic development; work with State governments to ensure a clean environment; and encourage increased knowledge and understanding of the environment.

**Pollution control and abatement.**—Efforts to control pollution of air, water, and land are carried out through direct Federal programs and through financial assistance to State and local governments.

Regulatory, enforcement, and research programs.—Proposed budget authority in 1987 for regulatory, enforcement, and research programs is 4% lower than in 1986. This reduction reflects fulfillment of court-mandated water discharge regulations, a proposed use of fees for environmental permits to offset program costs, and a reduced need for Corps of Engineers support for the water treatment grant program. Despite the reduction in budget authority, the initiatives begun in 1986 will continue, and funding to continue implementing the Hazardous and Solid Waste Act Amendments of 1984 will be increased substantially. The budget continues the aggressive development of new hazardous waste regulatory responsibilities that began in 1985; provides for immediate implementation of new enforcement authorities; and supports the ambitious schedules to issue permits required by the new law. Budget authority for the Federal acid rain task force, classified in the energy function, will remain constant at \$85 million in 1987.

Hazardous substance response fund.—The hazardous substance response trust fund (Superfund) finances the cleanup of abandoned hazardous waste sites and hazardous chemical spills. Authorization for the Superfund has expired. Budget authority of \$1,050 million is requested for 1987, consistent with the administration's proposal last year. The budget request will be modified if necessary after reauthorization action by Congress.

Sewage treatment plant construction grants.—This program assists State and local governments in building sewage treatment facilities. Authorization for sewage treatment grants has expired. The administration has proposed legislation to phase out the grants by 1990. When this legislation is enacted, \$1.8 billion in 1987 budget authority will be requested. A phaseout of the program is appropriate because its original mission—to assist communities in eliminating the backlog of construction needed to service the existing population—has largely been completed with the assistance

provided since 1972. After phaseout, communities will be expected to finance waste treatment facilities through market sources with such assistance as State governments may provide.

Water resources.—Total net proposed budget authority of \$3.7 billion for the Army Corps of Engineers, the Department of the Interior's Bureau of Reclamation, and the Department of Agriculture's Soil Conservation Service (SCS) is an increase of about 5% from the 1986 level. The increase is primarily due to new Federal water resources project construction, which is partially offset by (1) enhanced cost sharing by beneficiaries of these projects who will pay a greater share of project costs through increased user fees and non-Federal financing and (2) termination of the SCS small watershed program. Most of the proposed funding for water resources development covers construction of projects started in previous years and operation and maintenance of completed projects.

Nineteen new construction starts (including four projects proposed by the administration in prior budgets) are included in this budget. For these projects, State and local governments and private project sponsors have already demonstrated their intent to pay a greater share of construction costs.

In anticipation of enactment of pending legislation to recover capital and operating/maintenance expenses of the Nation's harbors and inland waterways, now financed almost entirely by general tax funds, the administration proposes budget authority of \$0.2 billion in 1987 for operation and maintenance costs which will be recovered by a new ad valorem fee for use of the 200 U.S. commercial harbors. This fee is equivalent to 0.04% (4 cents for every \$100) of the value of cargo loaded or unloaded. The budget also proposes to gradually double the existing 10-cent per gallon user fee on fuel used to transport cargo on the 12,000-mile inland waterway system. This increase will begin in 1988 and be accomplished over 10 years. The new fees will recover more of the Federal expenditures that subsidize construction and dredging for commercial inland waterborne transportation. Inland fees are classified as governmental receipts and are discussed in Part 4, "Federal Receipts by Source."

Navigation services provided by the Corps of Engineers, as well as by the Coast Guard and other Federal agencies, are commercial in nature, with quantifiable benefits and costs and identifiable beneficiaries. The administration believes more of the costs of these services can and should be recovered from direct beneficiaries. Also, additional user fees will serve both as disincentives for unneeded expansion of the inland and harbor systems and as incentives for users to support operating efficiencies wherever possible.

Similarly, other federally constructed water resource projects such as multiple-purpose dams with hydroelectric power, irrigation, flood control, and recreation outputs provide quantifiable benefits

## NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT

(Functional code 300; in millions of dollars)

Major missions and programs	1985 aclual	1986 eslimale	1987 estimate	1988 estimale	1989 estimale
BUDGET AUTHORITY					
Pollution control and abatement: Regulatory, enforcement, and research programs	1,296	1,374	1,322	1,332	1,341
Hazardous substance response fund: Existing law	606	1,189	1,083	1,190	1,125
Proposed legislation		-329 9	-33 9	- 65 9	-25 9
Sewage treatment plant construction grants: Existing law Proposed legislation	2,400	574 1,800	1,800	1,200	600
Offsetting receipts:			,		
Existing law Proposed legislation	o	<u>-38</u>	$     \begin{array}{r}       -61 \\       -21     \end{array} $	66 58	$-65 \\ -92$
Subtotal, Pollution control and abatement	4,303	4,578	4,099	3,542	2,893
Water resources: Corps of Engineers: Existing law	2,932	2,788	3,287	3,624	3,758
Bureau of Reclamation: Existing lawProposed legislation	1,098	781	932	1,062	1,088
OtherOffsetting receipts:	227	201	104	17	18
Existing law	<b>—169</b>	-231	-411 -203	-510 -220	-522 -230
Subtotal, Water resources	4,087	3,540	3,711	3,985	4,132
Conservation and land management:  Management of national forests,cooperative forestry, and forestry research(Forest Service): Existing law		1,900	1,590	1,590	1,590
Proposed legislation		457	450	49	450
Proposed legislation Mining reclamation and enforcement		279	3 291	295	300
Conservation of agricultural lands	624	439	373	351	351
Existing law Proposed legislation	296	280	273	273	274
Offsetting receipts: Existing lawProposed legislation	-2.245	_ 2.573	- 2,581	_2,697	-2,810
Subtotal, Conservation and land management		783	457	313	202
Recreational resources: Federal land acquisition: 1	0.50	100			
Existing law Proposed legislation		128	64 28	64	64
Urban park and historic preservation funds Operation of recreational resources: Existing law	1,265	1,320	1,227	1,203	1,216
Proposed legislation Offsetting receipts:			59	61	63
Existing law	<b>—72</b>	<b>—78</b>	-133 -43	-135 -45	-137 -46
Subtotal, Recreational resources	1,574	1,376	1,147	1,152	1,166

### NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT—Continued

(Functional code 300; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
Other natural resources: Program activities Offsetting receipts:	1,935	1,703	1,544	1,618	1,637
Existing law Proposed legislation	-l	$-2 \\ -14$	$-1 \\ -20$	-1 $-24$	$\begin{vmatrix} -1 \\ -24 \end{vmatrix}$
Subtotal, Other natural resources	1,934	1,686	1,523	1,593	1,612
Total, budget authority	13,344	11,963	10,937	10,585	10,005

\*\$500 thousand or less.
¹ Includes budget authority from State grants financed by the land and water conservation fund and from the migratory bird conservation account.

to identifiable beneficiaries. These beneficiaries should also pay a greater share of the capital costs of the facilities they use. The administration therefore proposes greater concurrent recovery of construction-period costs from project beneficiaries, including users of the Nation's commercial navigation system, on a "pay-as-you-go" basis.

The administration proposes to terminate the SCS small water-shed program in 1987. No new cost-sharing projects will be signed after February 1, 1986. This program provides flood control and drainage facilities that are usually within the financial and engineering capability of non-Federal entities to provide for themselves. In addition, these facilities in some cases duplicate services of the Corps of Engineers and often provide added capacity to produce surplus commodities.

Conservation and land management.—Changes in these programs reflect the administration's continuing efforts to improve the management of the national forests and public lands, to streamline mineral leasing programs, and to place maximum responsibility with the States for surface coal mining regulatory and reclamation programs.

A proposed realignment of management responsibilities between the Forest Service and the Bureau of Land Management will result in saving approximately \$14 million in management costs per year when fully implemented. This management realignment involves changes solely within the Federal Government, and will not involve or affect sales or exchanges of land or other resources with non-Federal entities.

Management of national forests, cooperative forestry, forestry research.—Proposed budget authority in 1987 for direct management of national forests is \$1.5 billion. This amount provides for a decrease from 1986 in planned program levels of \$76 million, after adjusting the 1987 level for funding for forest fire fighting and the

## NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT

(Functional code 300; in millions of dollars)

			,		
Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
OUTLAYS					
Pollution control and abatement: Regulatory, enforcement, and research programs Hazardous substance response fund:	1,208	1,326	1,373	1,326	1,344
Existing law		800 - 329 9	804 - 33 9	1,056 65 9	1,100 -25 9
Sewage treatment plant construction grants: Existing law Proposed legislation Offsetting receipts:		2,820	2,355 40	1,548 645	1,070 1,045
Existing lawProposed legislation		-38	-61 -21	-66 -58	-65 -92
Subtotal, Pollution control and abatement	4,465	4,588	4,466	4,395	4,387
Water resources: Corps of Engineers: Existing law		2,943	3,252	3,624	3,758
Bureau of Reclamation: Existing law	954	1,002	984	1,067	1,086
Proposed legislation	290	262	223	13 36	20 19
Offsetting receipts: Existing lawProposed legislation	-169	-231	-411 -203	- 510 - 220	-522 -230
Subtotal, Water resources	4,122	3,977	3,847	4,010	4,131
Conservation and land management: Management of national forests, cooperative forestry, and forestry research (Forest Service):					
Existing law Proposed legislation	1,964	1,968	1,622 43	1,593 51	1,590 48
Management of public lands (BLM): Existing law	550	467	449	454	453
Proposed legislation	272 620	316 577	3 343 447	325 391	316 374
Existing law Proposed legislation	320	295	275	276	276
Offsetting receipts: Existing lawProposed legislation	<u> 2,245</u>	_ 2,573	_ 2,581	_ 2,697	<b>- 2,810</b>
Subtotal, Conservation and land management		1,051	600	393	246
Recreational resources: Federal land acquisition:  Existing law	383	295	210	86	78
Proposed legislation		32	2 7	3 2	6
Operation of recreational resources:  Existing law  Proposed legislation	1,237	1,297	1,274 47	1,252 61	1,223 69
Offsetting receipts: Existing lawProposed legislation	<b>—72</b>		-133 -43	-135 -45	-137 -46
Subtotal, Recreational resources	1,621	1,547	1,365	1,225	1,186

### NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT—Continued

(Functional code 300; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
Other natural resources: Program activities Offsetting receipts:	1,669	1,759	1,702	1,798	1,733
Existing law	-1	$-2 \\ -14$	$-1 \\ -20$	-1 -24	$-1 \\ -24$
Subtotal, Other natural resources	1,668	1,742	1,680	1,772	1,708
Total, outlays	13,357	12,905	11,958	11,794	11,658

\*\$500 thousand or less

Bureau of Land Management realignment. This net decrease occurs primarily as a result of a 12% reduction in timber offered for sale, reduced unit costs of timber sale preparation, postponement of construction and recreational land acquisition, and termination of forestry grants and technical assistance to States.

The productivity of national forest management will be improved by carefully controlling costs, adjusting management procedures, and paying close attention to benefit-cost relationships. The administration's objective is to produce timber, recreation, and other products or services at the lowest unit costs. Careful attention will be given to both market and nonmarket values of resources, such as water quality, and their associated costs.

Planned timber sales from national forest lands in 1987 are 10.0 billion board feet (BBF). Together with the estimated 28 BBF sold but still uncut at the end of 1986, this level will be adequate to respond to anticipated housing construction needs in 1987 and subsequent years. Gross receipts from the harvest of timber are estimated to be approximately \$0.9 billion in 1987. Under current law, 25% of these receipts are paid to States for schools and roads in the counties of origin. The administration will propose legislation, discussed in the general purpose fiscal assistance function, to deduct appropriate Federal costs from receipts before calculating the share paid to the States, thus converting to a net receipt sharing basis. Federal payments in lieu of taxes on Federal lands, also classified in the general purpose fiscal assistance function, will continue to be paid to counties.

Budget authority of \$111 million in 1987 for forestry research programs will continue to address high-priority projects while reducing Federal funding for research projects that directly support private industry.

The administration proposes to reduce budget authority for contributions to State and private forestry programs from \$55 million

<sup>3</sup> Includes outlays from State grants financed by the land and water conservation fund and from the migratory bird conservation account

in 1986 to \$25 million in 1987. Funding will be retained to provide for national data collection and information dissemination to States on national problems. General grants to States for fire protection and forestry technical assistance on non-Federal lands are not proposed for 1987.

Management of public lands.—These programs provide for administration of approximately 310 million surface acres of public lands for multiple use and about 370 million acres of federally owned subsurface mineral rights. Continued emphasis will be placed on mineral leasing, realty management, data support systems, and renewable resource activities such as those affecting water, timber, or wildlife, including hazardous waste assessment.

Mining reclamation and enforcement.—The 1987 budget authority request reflects increases of \$16 million to strengthen Federal and State enforcement of land reclamation requirements for current coal mining operations. A budget authority decrease of \$6 million from the 1986 level reflects maturation of the abandoned mined land reclamation grant program, balancing annual obligations at a rate that can be absorbed by States and sustained each year until program completion in 1992. Approximately 225 projects to reclaim abandoned mined lands in 22 States will be financed by the \$151 million request.

Conservation of agricultural lands.—A new Federal conservation reserve program is authorized by the Food Security Act of 1985. Under the new program, the Secretary of Agriculture will enter into contracts with owners of highly erodible lands to remove those lands from active crop production. In return, the landowners will receive assistance in establishing appropriate conservation cover on the land and rental payments for each acre put into reserve status. The administration proposes to terminate a number of existing conservation cost share and Soil Conservation Service programs. Technical assistance will continue to be provided to farmers to achieve sound conservation of farm land as well as to aid in the implementation of the new conservation reserve program.

Recreational resources.—Budget authority for recreation is proposed to be reduced from \$1.4 billion in 1986 to \$1.1 billion in 1987. Land acquisition for parks and refuges is proposed to be reduced from \$101 million in 1986 to \$33 million in 1987. A rescission is proposed to reduce land acquisition by \$24 million in 1986. Grants to States for acquisition and development of outdoor rescreation lands and for support of State historic preservation staffs are proposed for elimination in 1987. In addition, a rescission is proposed to reduce grants for land acquisition by \$36 million in 1986 and to reduce grants for historic preservation by \$19 million in 1986.

These needs can be met through State, local, and private resources and the positive effect of Federal tax incentives on private investment in historic buildings.

The administration again proposes to increase entrance fees to national parks and service charges for recreational use of national parks, forests, and other Federal recreation facilities, so that those who use them will pay more for their upkeep and maintenance than will those taxpayers who do not use them. The agency collecting the user fees will retain them for operation and maintenance of recreation areas. For 1987, recreation receipts, including some receipts not counted in this subfunction, are estimated to be about \$126 million, \$71 million above 1986.

Total 1987 budget authority of \$655 million is proposed to operate and maintain the national park system's 337 units and 75 million acres. The increase of \$45 million over the 1986 level is to be financed by increased entrance and user fees.

Other natural resources.—These activities focus on the understanding, conservation, and careful husbandry of the Earth's resources, structure, and environment through research and development and information dissemination programs. They comprise elements of the Geological Survey (USGS), the Bureau of Mines, and the National Oceanic and Atmospheric Administration (NOAA).

USGS 1987 budget authority of \$396 million reflects a decrease of approximately 4% from 1986 budget authority of \$411 million. Reductions are proposed for numerous lower priority program activities while a \$3 million increase is proposed to initiate the development of a national water quality assessment.

Requested 1987 budget authority of \$107 million for the Bureau of Mines is less than in prior years, and, as in past years, no funds have been requested for the mineral institute program. Bureau of Mines research activities will be focused on long-term projects with high potential benefit.

Funding for NOAA programs in this category reflects a decrease of approximately 12% in budget authority from \$1,086 million in 1986 to \$960 million in 1987. Reductions are proposed for State and industry financial assistance and lower priority research and service programs. However, funding for life safety, resource management and development programs, and atmospheric and oceanic research and services is maintained. Increased funding is included to upgrade geostationary weather satellite ground systems and hurricane reconnaissance aircraft, procure NEXRAD doppler weather radars, and implement the U.S./Canada Pacific Salmon Treaty.

The administration will propose a \$10 minimum marine recreational sport fishing license to partially offset the costs of managing and conserving this exhaustible natural resource. Coastal

States will retain one-half of the license fee, which is estimated to total \$20 million in 1987.

Offsetting receipts.—Offsetting receipts from the entire natural resources and environment function—primarily from user fees, sales of products, rents and royalties—are expected to rise from \$2.9 billion in 1986 to \$3.5 billion in 1987. Virtually all of these collections are user fees.

Credit programs.—The administration proposes a decrease of \$1 million in obligations in 1987 from 1986 in programs operated by the Bureau of Reclamation. These direct loans are made to local government project sponsors for construction and rehabilitation of irrigation systems and for storage of municipal or industrial water supplies. The administration proposes three new loans that will carry interest at Treasury rates plus one eighth of one percent to cover transaction costs. Currently, the required repayment interest rate varies by project purpose and ranges from zero to near current Treasury rates. A reduction in Environmental Protection Agency loans to schools to remove asbestos reflects the completion of Federal responsibility for that program.

#### CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

	actual 1985	Estimate				
		1986	1987	1988	1989	
Direct loans:  Water resources and other:  New obligations	86 63 481	79 77 558	48 79 637	37 35 672	42 26 698	
Total, new obligations and new com- mitments	86	79	48	37	42	

Tax expenditures.—As an incentive to encourage production, certain capital costs associated with exploration and development of nonfuel minerals may be expensed rather than depreciated over the life of the asset. In addition, most nonfuel mineral extractors use percentage depletion, rather than cost depletion. Percentage depletion is more generous than cost depletion in that total deductions are not limited to the cost of the investment. The tax expenditure estimates for these two provisions are \$90 million and \$515 million, respectively, in 1987.

Because interest on State and local government debt issued to finance the pollution control and waste disposal facilities of private firms is excluded from income subject to tax, investment for these purposes can be financed at below market interest rates. The estimated cost for 1987 is \$1.6 billion.

A special 25% tax credit is available for expenditures made to restore certain historic structures. The 1987 estimate of \$715 million for this provision includes the remaining tax subsidies from special depreciation treatment available under prior law.

Special benefits are provided to the timber and iron industries in order to encourage production. The gains on the cutting of timber and royalties from iron ore deposits are taxed at capital gains rates, which are lower than rates on ordinary income. For 1987, this results in a tax expenditure of \$830 million and \$30 million, respectively. Private forestry is additionally encouraged because a limited amount of reforestation expenditures are eligible for special tax credits and write-offs. This tax expenditure is \$65 million in 1987.

Tax expenditures for natural resources and environment total an estimated \$2.8 billion in 1987.

# **AGRICULTURE**

Federal programs in this function help meet domestic and international trade demands for food and fiber while mitigating the adverse effects of price fluctuations on farmers. The administration will use two major pieces of recently enacted legislation designed to improve U.S. agriculture's competitive position in world markets and strengthen the Farm Credit System.

First is the Food Security Act of 1985 that will set farm policy through 1990. The act allows the farm economy to move away from programs mandated by prior legislation that had the effect of raising U.S. prices above world market prices, necessitating Federal export credit subsidies and depressing farm income. The overall net result has been high and growing Federal outlays while U.S. agricultural exports declined. Under the Food Security Act, programs can be designed that will help restore export markets and assist farm operators while they adjust to new world market conditions.

Legislation was also enacted addressing the financial difficulties of the Farm Credit System, which holds \$68 billion (32%) of the total \$213 billion in farm debt outstanding at the end of 1984. The Farm Credit Administration (FCA), as the regulator of the banks and associations of the Farm Credit System, was granted new enforcement powers enabling it to ensure sound system-wide financial management standards and practices.

The legislation also provides for the chartering of a Farm Credit System Capital Corporation, which will purchase nonperforming assets from and provide technical assistance to distressed FCS institutions. In addition, the FCA is authorized to make temporary deposits and investments in troubled institutions.

The administration's request for the Farmers Home Administration (FmHA) contains \$4 billion in total credit authority in 1987 to help ensure that viable but higher risk farmers have operating credit available to continue operations. This continues the trend toward reducing direct Government lending and emphasizing guarantees of private loans that began in 1986 and was ratified by the Food Security Act.

The administration also proposes to scale down Federal intervention and subsidy in other areas of agriculture particularly in insurance, applied research, and other business services.

Farm income stabilization.—This area represents 92% of estimated 1987 outlays in the agriculture function.

### NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
BUDGET AUTHORITY					
Farm income stabilization:  Commodity price support and related programs:  Existing law  Proposed legislation	15,249	21,694	15,655 —140	17,316 —275	17,879 —411
Crop insurance: Existing lawProposed legislation		344	376 —136	451 — 302	485 415
Agricultural credit: Existing lawProposed legislation			2,838 —537	3,559	3,000
Agricultural credit (FFB): Existing law Proposed legislation	6,815	2,172	166		526
Other programs and unallocated overhead	51	*		1	
Subtotal, Farm income stabilization	25,569	26,232	18,057	20,748	21,065
Agricultural research and services: Research programs Extension programs		765 328	761 140	751 140	751 140
Marketing programs: Existing law Proposed legislation		129	129 — 43	128 — 44	128 44
Animal and plant health programs: Existing law Proposed legislation	306	310	260 —21	260 — 21	260 — 21
Economic intelligence	191	182	179	179	179
Existing law	211	206	214	213 — 4	207 4
Offsetting receipts	- 92	<b>-90</b>	<b>-90</b>	<b>—89</b>	- 89
Subtotal, Agricultural research and services	1,911	1,830	1,526	1,513	1,506
Total, budget authority	27,480	28,062	19,583	22,261	22,571

<sup>\*\$500</sup> thousand or less.

Commodity price support and related programs.—Price and income support activities currently constitute the largest portion of Federal Government expenditures in the agricultural sector. The Department of Agriculture (USDA), working through the Commodity Credit Corporation (CCC), sets target prices, provides income support and deficiency payments, and offers special loans to farmers. These programs were created to stabilize, support, and protect farm income and prices, and to provide consumers with a dependable supply of agricultural products at affordable prices.

The USDA provides income support payments for producers who participate in certain commodity programs. Through these payments, the Government guarantees farmers a certain level of income based on target prices set in legislation for those crops. The Food Security Act freezes target prices for 2 years and then provides for a gradual decrease over the next 3 years.

### NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
OUTLAYS					
Farm income stabilization:					
Commodity price support and related programs:	17 700	00.000	10.041	17.016	17.070
Existing law	. 17,733	20,399	16,341 —140	17,316 —275	17,879 —411
Crop insurance:			-140	-2/3	-411
Existing law	506	557	370	421	455
Proposed legislation		,	-134	<b>— 273</b>	-385
Agricultural credit:	2 702	2 126	2 200	1 251	2 150
Existing law Proposed legislation			2,368 — 489	1,251	3,258
Agricultural credit (FFB):			- 403		
Existing law	2,658	922	-216	- 385	-3,434
Proposed legislation	72	1.4	<u>-166</u>		
Other programs and unallocated overhead	. 12	14	4		
Subtotal, Farm income stabilization	. 23,751	24,017	17,938	18,056	17,363
Agricultural research and services:					
Research programs		773	799	817	772
Extension programs	. 338	331	179	169	140
Marketing programs: Existing law	138	135	128	128	128
Proposed legislation	. 130		_43	_44	_44
Animal and plant health programs:					
Existing law	. 305	312	- 260	263	260
Proposed legislation	180	185	-21	-21 179	-21 179
Economic intelligence	. 100	103	177	1/3	1/3
Existing law	. 205	207	218	215	209
Proposed legislation				-4	4
Offsetting receipts	92	<u>-90</u>	-90	89	<u>- 89</u>
Subtotal, Agricultural research and services	. 1,813	1,854	1,603	1,612	1,529
Total, outlays	. 25,565	25,871	19,541	19,668	18,892

The USDA also provides farmers with deficiency payments—the difference between the target price and the market or loan price. In the past, these payments were based on the volume produced, so they encouraged overproduction, which in turn resulted in increased deficiency payments. The new farm bill freezes the crop yields at the average for the 1981-1985 crop years, excluding the high and low years, thereby avoiding further increases in deficiency payments resulting from rising yields. Further, farmers will no longer have to plant their total crop base to qualify for full deficiency payments thus partially decoupling planting decisions from program benefits.

For certain crops, the Government offers to lend farmers money, taking their crops as collateral. These loans are usually nonrecourse, so that farmers can default on the loan and forfeit their crops as collateral. These loans are an effective floor on market prices, because farmers will forfeit their crops rather than sell them at a market price that is less than the loan price.

The administration plans to fully utilize the discretion provided in the farm bill to set price support loan rates at market clearing levels, and to minimize incentives for overproduction. The elimination of artificially high price supports should increase U.S. exports thereby reducing the need for export subsidies. In 1985, U.S. wheat producers suffered a price disadvantage of \$40 per ton on world markets. This was one of the main reasons for decreased foreign purchases over the last year. While outlays are expected to be very high during the first 2 years of the 5-year farm bill due to frozen target prices, the modest phasedown in target prices during the latter years coupled with the expected growth in U.S. exports over the period should lead to significant reductions in outlays for Federal farm price support activities after 1989.

The value of agricultural exports in 1985 was \$31.2 billion, while imports totaled \$19.8 billion, resulting in a positive agricultural trade balance of \$11.4 billion. The sheer magnitude of these exports mandates the continued reliance on free-market commercial exports as the driving force in the success of U.S. agricultural trade. Nevertheless, export credit assistance is provided by CCC for the relatively small portion of export sales that could not occur without federally subsidized credit. Total export credit planned for 1987 is \$3 billion. This is 130% over the 1981 level of total CCC export credit assistance.

Crop insurance.—The Federal Crop Insurance Corporation (FCIC) offers insurance to producers against crop losses from natural hazards such as excessive rainfall or drought. The FCIC was charged in 1980 with the goal of developing a market for crop insurance so that private insurance companies eventually would be willing to offer services without Federal support. Today all-risk crop insurance is available in over 3,000 agricultural counties and over 85% is delivered by private companies. Insurance in force is expected to reach \$9.8 billion in 1987, an increase of \$1.4 billion over the 1986 estimate. Due to the strong acceptance of crop insurance, the budget proposes privatization of crop insurance services and a 5-year phaseout of the Federal role. User fees of about \$21 million will be initiated in 1987 to recover costs of providing services to private insurance companies and some regulatory activities which will be continued by the FCIC.

The 1987 budget proposal will enhance the administration's efforts to develop a fully commercial crop insurance program by permitting more efficient pricing and delivery.

Agricultural credit.—The Nation relies on private credit for agriculture as in other sectors of the national economy. However, the Farmers Home Administration (FmHA) currently holds about 15% of total farm debt outstanding, primarily for family farmers with

### CREDIT PROGRAMS-AGRICULTURE

(In millions of dollars)

	actual		Estir	nate	
	1985	1986	1987	1988	1989
Direct loans:					
Commodity price support and related loans: New obligations	10,443	16,570	11,524	10,940	9,311
	5,346	5,052	— 3,080	— 1,706	2,043
	15,104	20,156	17,076	15,370	13,327
New obligations	4,757	3,198	1,500	1,000	500
	— 22	-11	364	32	1,334
	388	377	12	44	1,378
Change in outstandings	2,658	922	382	-385	-3,434
Outstandings	28,175	29,097	28,715	28,330	24,896
Total, direct loans:  New obligations  Change in outstandings  Outstandings	15,200	19,768	13,024	11,940	9,811
	7,982	5,963	3,826	— 2,059	—4,143
	43,667	49,630	45,803	43,744	39,601
Guaranteed loans: Commodity price support and related loans: New commitments Change in outstandings.	2,674	5,264	3,000	3,000	3,000
	404	2,298	— 201	— 265	— 717
Outstandings	5,094	7,392	7,191	6,926	6,210
	1.175	1,872	2.500	3,000	3,500
Change in outstandings	257	1,309	1,333	2,501	1,054
Outstandings	1,385	2,694	4,027	6,528	7,583
Total, guaranteed loans: New commitments	3,848	7,136	5,500	6,000	6,500
	661	3,607	1,132	2,237	338
	6,479	10,086	11,218	13,455	13,792
Total, new obligations and new com- mitments	19,049	26,904	18,524	17,940	16,311

Loans made by the agency and subsequently sold to FFB. The agency guarantees and repurchases the loans when they mature.

limited resources. At the end of 1985, outstanding FmHA agricultural credit insurance fund direct loans totaled \$29 billion. The FmHA has lent approximately 53% of this outstanding amount during the last 10 years. In 1985 alone, new direct lending totaled \$4.8 billion with 10% of this amount for disaster loans.

Farm operating direct and guaranteed loan activity in 1986 is estimated to be \$3.5 billion. The 1987 budget proposes a \$4.0 billion direct and guaranteed farm operating loan program (\$1.5 billion direct, \$2.5 billion guaranteed). A greater emphasis will be placed on guaranteed lending. A 1% origination fee will also be assessed on direct loans providing about \$14 million in additional revenue.

Agricultural research and services.—The 1987 research program will increase germplasm and biotechnology research to improve the competitiveness and profitability of U.S. agriculture. Research will

be conducted in areas of plant and animal productivity, commodity conversion, conservation, and human nutrition. The 1987 program will emphasize long-term, basic research rather than applied research and product development, which are more appropriately financed by private industry.

Extension programs.—The Federal Extension Service, States, and localities finance the Cooperative Extension System. This system provides out-of-school, applied education in agriculture, home economics, community development, and 4-H youth programs. Federal support, which accounts for only one-third of the resources available to the system, will be reduced from \$328 million in 1986 to \$140 million in budget authority in 1987. The Extension System will be urged to use the Federal funds to maintain high priority activities such as continuing services to farm operators to enhance profitability of U.S. farms and to conserve soil and water resources. Extension service staff time devoted to other activities can be supported if desired by enhanced State or local contributions.

Marketing programs.—The Federal Government provides a variety of services to aid in the orderly marketing of farm products such as grain inspection and weighing; tobacco inspection; cotton classification; and meat, poultry, and livestock grading. Most of these services are now provided on a user fee basis. Legislation will be proposed to place more services—including compliance and standardization for Federal grain inspection, market news information and other activities of the Agricultural Marketing Services, and investigations of market fraud involving packers and stockyards—on a user fee basis. These collections are estimated to be \$49 million in 1987.

Animal and plant health.—The Federal Government carries out a number of programs to prevent the introduction and spread of plant and animal pests and diseases that can cause severe losses in crop yields or livestock. Outlays in 1987 of \$262 million include funds to support the eradication of brucellosis infection in domestic livestock through a disciplined Federal-State-industry cooperative program. The goal is to eradicate the disease completely over the next few years, after which the Federal role will be reduced to surveillance only. User fees totalling \$20 million are proposed for services rendered through the agricultural quarantine inspection, import/export inspection, veterinary biologics and veterinary diagnostics programs. Funding for programs against imported fire ants, noxious weeds, pseudorabies, and for animal welfare and horse protection programs are proposed for termination.

Tax expenditures.—Agriculture is promoted by several tax expenditures. The tax code permits farmers to treat certain capital

outlays as current expenses, such as those for feed, fertilizer, and planting, and allows capital gains treatment on the sale of certain farm assets rather than treating them as ordinary income. The 1987 estimates for these two provisions are \$535 million and \$870 million, respectively. The tax expenditures for agriculture are \$1.3 billion in 1987.

## COMMERCE AND HOUSING CREDIT

The Federal Government seeks to support an environment in which all sectors of the economy may compete equally for credit. Commerce and housing credit programs supplement private sector financing of business and housing by providing assistance for mortgage credit, deposit insurance and other subsidies for business.

The budget proposals reflect the administration's goal to reduce Federal intervention in private markets and to streamline existing programs to better target support. The objective of the recommendations is to reduce, terminate or privatize programs in which the beneficiaries can be served by the private sector. The budget also proposes to raise user fees for credit programs in which the Government does not recover the full program costs or unfairly competes with the private sector.

The budget proposes \$10.2 billion in 1987 budget authority and \$1.4 billion in estimated outlays for commerce and housing credit. Mortgage credit and deposit insurance programs and activities are a major portion of the assistance, with \$2.9 billion in proposed budget authority in 1987. In addition, the budget proposes \$1.8 billion in direct loan obligations and \$37.5 billion in guaranteed loan commitments in 1987.

Mortgage credit and deposit insurance.—In support of both the housing and financial markets, the Federal Government's primary goal is to provide fiscal and monetary policies that result in stable, non-inflationary economic growth. Additionally, the Government has long attempted to provide direct support, in the form of grants and direct and guaranteed loans, to those areas the private sector may not adequately serve.

Mortgage-backed securities.—The Government National Mortgage Association (GNMA) supports the mortgage market through guarantees of mortgage-backed securities. In 1986, guarantees are expected to be issued on \$43.2 billion in securities—well below the new loan guarantee limitation of \$65.3 billion. These securities are backed by pools of mortgages that are either insured by the Federal Housing Administration or guaranteed by the Veterans Administration. For 1987, the administration proposes to retain the 1986 (pre-sequestration) new commitment limitation of \$68.3 billion. Commitments of \$55.4 billion are expected to be made, as shown in the credit programs table at the end of this section. Table F-20 of Special Analysis F, "Federal Credit Programs," shows the estimated new guaranteed loan commitments of \$39.5 billion.

To support the goal of reducing advantages enjoyed by Federal Government and Government-related agencies that compete with private sector providers, the administration is proposing to increase

### NATIONAL NEED: COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
BUDGET AUTHORITY					
Mortgage credit and deposit insurance:  Mortgage purchase activities (GNMA)	*				
Mortgage credit (FHA and other) Housing for the elderly or handicapped	160	123	79	458	686
Rural housing programs (FmHA) Federal Savings & Loan Insurance Corp & other	6,218 200	2,655	2,865	2,629	2,633
Subtotal, Morigage credit and deposit insurance	7,081	2,778	2,944	3,087	3,320
Postal Service: Existing law Proposed legislation	2,639	3,974	2,738 777	3,762 616	1,213 824
Subtotal, Postal Service	2,639	3,974	3,515	4,378	2,037
Other advancement of commerce: Small and minority business assistance: Existing law		929	2,622 — 95	-39 -57	-105 -27
Science and technology Economic and demographic statistics	361 197	334 217	369 308	395 394	388 371
Existing lawProposed legislation	528	496	504 28	497 28	503 28
Subtotal, Other advancement of commerce	2,389	1,975	3,736	1,218	1,158
Total, budget authority	12,109	8,727	10,195	8,684	6,515

\*\$500 thousand or less.

the guarantee fee that GNMA currently charges mortgage-backed securities issuers from 6 basis points to 15 basis points in 1987 and to 20 basis points thereafter. This proposed fee is closer to that charged by other issuers of mortgage-backed securities and is part of a Governmentwide effort to create incentives for increased private sector activity in the secondary mortgage market for home mortgages.

The administration proposes a phasing-in of similar fees for all Government-sponsored enterprises (GSEs), including the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the Federal Home Loan Banks. This fee will be phased in to a level that will eliminate the interest rate advantage these GSEs' securities currently enjoy in the credit markets. By eliminating most of the competitive advantages of the GSEs, the user fees will permit competition with private financial intermediaries in an increasingly deregulated financial environment. The administration considers this proposal a critical first step toward completely privatizing these entities.

Mortgage credit.—The Federal Housing Administration (FHA) provides mortgage insurance on single-family homes, apartments, mobile

### NATIONAL NEED: COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
OUTLAYS					
Mortgage credit and deposit insurance:  Mortgage-backed securities (GNMA)	-590 -594 501 3,971 -1,942 615	-268 -465 -1,434 490 3,318 -1,658 456 -259	- 324 - 433 - 1,970 385 1,666 - 1,900 - 197 - 293	-397 -126 -1,691 260 1,471 -2,150 472 -272	-487 -96 -1,812 178 1,090 -2,400 359 -278
Subtotal, Mortgage credit and deposit insurance	871	179	-3,067	-2,433	-3,447
Postal Service: Existing law	1,351	1,345	1,906 777	4,443 616	989 824
Subtotal, Postal Service	1,351	1,345	2,683	5,059	1,813
Other advancement of commerce:  Small and minority business assistance: Existing law		1,145 450 209	435 50 362 276	-32 -72 388 369	-43 -93 390 379
International trade and other: Existing lawProposed legislation	484	475	596 24	525 26	495 25
Subtotal, Other advancement of commerce	2,007	2,279	1,743	1,204	1,154
Total, outlays	4,229	3,802	1,359	3,831	<b>— 480</b>

homes, and health care facilities. This insurance protects lenders from loss in the event of default on loans and may thereby enable borrowers to obtain loans that might otherwise not be available, or to obtain better loan terms than are available in the absence of this insurance.

The FHA credit program is the largest Federal loan guarantee program. The most significant segment of this program is insurance of single-family home mortgages, accounting for about 87% of the total volume of mortgages insured. Single-family mortgages of up to \$90,000 can be insured under the FHA with as little as 3% down.

Consistent with the administration's initiative of instituting, and in some cases raising, credit user fees, beginning in 1987 the premium collected by FHA for its single-family insurance is proposed to be increased from 3.8% to 5.0%, in order to compensate FHA for recent high default rates. The premium increase will provide additional protection to the FHA insurance fund in the event of unanticipated losses brought about by slower appreciation in home prices, lower homeowner equity, and insurance of riskier mortgages, e.g., adjustable rate and graduated payment mortgages.

The administration is also proposing several other reforms to the FHA program. FHA will be targeted to families with incomes below \$40,000—homebuyers with the fewest options for purchasing a home. FHA will cease making loans to investors and individuals purchasing a second home. In order to stem the recent increase in default rates, FHA will also require that all upfront costs be paid in cash in order to assure that the homebuyer has some "stake" in the home.

In keeping with the goal of removing the Federal Government from activities that compete directly with the private market, the administration will review alternatives for the sale of FHA to the private sector. The private mortgage insurance industry that has developed in the United States over the last 28 years handles a larger portion of this market than does FHA and serves substantially the same clientele. Moreover, well-capitalized corporations appear interested in entering this market. In view of these factors, over the next year the administration will undertake a study to determine the most efficient way to transfer the FHA's function to the private sector.

Housing for the elderly or handicapped.—The Section 202 elderly and handicapped housing program provides direct loans at subsidized rates to non-profit organizations for the construction of housing for low-income elderly and handicapped tenants. In addition to these subsidized loans, the projects are subsidized by the Section 8 rental assistance program, which is described in the income security function.

The administration's budget proposes to address the needs of elderly and handicapped households through the rental housing voucher program rather than housing construction programs. Housing vouchers allow individual low-income households to select their own housing needs by shopping for housing on the existing rental market. The program enables the Federal Government to provide, at about one-third of the cost, housing assistance to the same very low-income households served currently under the Section 202 elderly and handicapped housing program. The administration's subsidized housing reform proposal rests on the premise that the Nation's housing problem is not inadequate supply requiring new construction. In fact, 1985 rental housing vacancy rates nationwide reached their highest level in 18 years. The administration asserts that the Nation's housing problem is that poor households have inadequate incomes to afford standard quality housing that is already available. Housing vouchers meet the affordability problem head on.

Consequently, the budget proposes no new commitments for Section 202 beginning in 1986; new loans of \$54 million in 1986 and \$30 million in 1987 are anticipated in order to complete projects

already in the construction pipeline. Outlays for this program are estimated to be \$490 million in 1986 and \$385 million in 1987 reflecting disbursements of prior year's loan obligations.

Rural housing programs.—The two principal housing loan programs of the Farmers Home Administration (FmHA) have provided low-interest direct loans to help low- and very low-income families purchase homes and to support construction of privately owned rental housing. The administration proposes termination of FmHA housing assistance and transfer of some of its functions to the Department of Housing and Urban Deveopment (HUD). In 1987, HUD would expand its role in rural areas and assume full responsibility for these housing assistance needs by allocating 50,000 newly proposed voucher units evenly between urban and rural areas. Since 1980, approximately 50% of all new federally assisted housing units has been provided to rural communities. Consequently, there will be no new commitments for additional FmHA rural housing units in 1987.

Credit and banking.—A number of programs enhance the safety and soundness of the banking system and affect its responsiveness to the needs of both savers and borrowers. The Federal Deposit Insurance Corporation insures the deposits of all federally chartered and many State chartered commercial and savings banks. A record number of FDIC-insured banks failed in 1985. A significant portion of the failed banks suffered unsustainable losses caused by weaknesses in the agricultural economy. Despite the record number of failures, net income for the year totaled \$2.8 billion, raising the equity of the fund to \$19.5 billion. Although some problems are expected to continue in the banking industry, growth in insurance premiums and interest revenue will lead to increases in net income for the corporation. Following a brief decline in 1986, the FDIC's net receipts are also expected to increase in 1987 to \$1.9 billion, again based on increases in interest revenues and insurance premiums.

The Federal Savings and Loan Insurance Corporation, under the direction of the Federal Home Loan Bank Board, insures deposits of member savings and loan associations and savings banks. Overall, the thrift industry posted a record profit in 1985 due to a drop in interest rates. However, profits were not consistent throughout the industry, with a significant number of thrifts still experiencing losses. Lower rates of inflation and poor underwriting contributed to problems of some of the thrifts. FSLIC sustained heavy losses in 1985 as a result of closing numerous insolvent thrifts.

# CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

(In millions of dollars)

	actual		Estim	ate	
	1985	1986	1987	1988	1989
Direct loans: Mortgage-backed securities (GNMA): New obligations	6 – 2	16	16 1	17 1	18 1
Outstandings	3	3	4	5	5
Change in outstandings  Outstandings  Mortgage insurance (FHA):	748 1,634	-653 981	- 606 375	-218 157	-115 42
New obligations	330 38 4,204	472 96 4,301	278 423 3,877	405 — 94 3,783	426 46 3,737
New obligations	597 511 5,667	55 501 6,167	30 381 6,548	19 254 6,802	11 155 6,957
New obligations	2,720 107 329	1,336 449 778	— 382 396	- 415 - 18	22 4
Change in outstandings	1,585 28,351	391 28,742	-150 28,592	28,592	-1,000 27,592
New obligations	47 48 222	100 20 202	80 22 180	150 180	150 180
Small business assistance New obligations Change in outstandings Outstandings Small business assistance (loans made by	697 — 119 3,220	621 — 66 3,154	491 920 4,074	388 1,568 2,507	243 — 1,441 1,066
FFB) 1: New obligations Change in outstandings Outstandings	525 405 1,620	514 369 1,989	-1,989		
Small business assistance (FFB loan assets) <sup>2</sup> : Change in outstandings	-7 33	$-\frac{10}{23}$	$-10 \\ 13$	$-10 \\ 3$	-3
New obligations	60 60 60		-60		
New obligations	— 305 3,617	130 127 3,744	110 51 3,795	150 111 3,906	150 111 4,017
New obligations	783 603 1,758	500 481 2,239	500 495 2,735	500 400 3,135	500 400 3,535
Other: New obligations Change in outstandings Outstandings	16 33 93	-21 -21 72	$-15 \\ -15 \\ 57$	$-15 \\ -15 \\ 42$	1 -8 34
Total, direct loans:  New obligations Change in outstandings Outstandings	5,780 1,898 50,812	3,745 1,643 52,455	1,807 —1,809 50,646	1,629 —1,554 49,092	1,500 —1,924 47,168

### CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT—Continued

(In millions of dollars)

	Actual		Estin	nate	
	1985	1986	1987	1988	1989
Guaranteed Joans:					
Mortgage-backed securities (GNMA) 3:					
New commitments	54.597	60.463	55.357	51.875	52.632
Change in outstandings	24,541	33,655	30,778	26,578	26,143
Outstandings	201,026	234,681	265,458	202,036	318.179
Mortgage insurance (FHA):	202,020	20.,002	200,100	2,000	010,170
New commitments	47.441	49,336	37.164	37,164	37,164
Change in outstandings	25,447	25.934	18.831	14,981	14,466
Outstandings	195,480	221,413	240.244	255.225	269,691
Rural housing (FmHA):	130,100	221,410	210,211	200,220	200,001
Change in outstandings	-238	<b>—</b> 139	<b>-21</b>	295	<b>—</b> 185
Outstandings	755	616	595	300	116
Small business assistance	700	010	333	300	110
New commitments	2.810	2,950			
Change in outstandings	209	393	<u>- 852</u>	-2.161	<b>—</b> 1,586
Outstandings	9,108	9,501	8.649	6.488	4.902
FSLIC:	3,100	3,301	0,043	0,400	4,302
New commitments	900	426	350	278	228
Change in outstandings	751	357	263	178	128
Outstandings	2.514	2.871	3.134	3,312	3,440
Other:	2,314	2,0/1	3,134	3,312	3,440
New commitments	38	26	3		
		-11	_5	<b>– 39</b>	— 30
Change in outstandings	-16		— 5 173	- 39 134	- 30 104
Outstandings	189	178	1/3	134	104
Less guaranteed loans held as direct loans by					
GNMA4:	740	052	coc	21.0	115
Change in outstandings	748	653	606	218	115
Outstandings	-1,634	<u> </u>	<b>— 375</b>	<u>-157</u>	
Total guaranteed loops					
Total, guaranteed loans:	51.100	50.700	27.517	27.442	27 202
New commitments	51,188	52,738	37,517	37,442	37,392
Change in outstandings	26,903	27,186	18,822	12,883	12,908
Outstandings	206,412	233,599	252,420	265,303	278,212
T. 1					
Total, new obligations and new com-	EC 000	EC 400	20.224	20.071	20 001
mitments	56,969	56,483	39,324	39,071	38,891

Estimated 1986 outlays of \$456 million will reflect further losses experienced by FSLIC. In 1987, the fund's revenues are estimated to exceed its losses by \$197 million. The assessment of an additional insurance premium, which generated an additional \$750 million in 1985, contributed to a rise in the fund's net income to \$494 million in 1985. Net income for both 1986 and 1987 is expected to fall.

The National Credit Union Administration regulates credit unions, provides liquidity assistance to member credit unions, and insures depositors' accounts. In 1985, the national credit union share insurance fund was capitalized by collecting a one-time deposit from member credit unions equal to 1% of their deposits. As

<sup>\*\$500,000</sup> or less.

1 Loans guaranteed by the agency and disbursed by FFB. They are counted as direct loans in the credit budget.

2 Loans made by the agency and subsequently sold to FFB. The agency guarantees and repurchases the loans when they mature.

3 GNMA guarantees securities that are backed by pools of loans previously insured by the FHA, VA, or FmHA. These secondary guarantees of loans are not included in the guaranted loans totals of the credit budget.

4 When guaranteed loans are acquired by another budget account, they are counted as direct loans in the credit budget. This deduction for GNMA eliminates double counting.

a result, the equity of the fund climbed from \$286 million in 1984 to \$1.1 billion at the end of 1985.

In 1986 and 1987, equity is expected to grow by \$236 million and \$250 million, respectively. Estimated outlays will increase by \$596 million in 1986. For 1987, outlays are expected to decline slightly.

**Postal Service.**—The Postal Reorganization Act of 1970 established the U.S. Postal Service as an independent self-sustaining part of the executive branch. The outlays of the Postal Service are composed of the payments by the general fund to the postal service fund, and the net outlays (spending offset by income, such as proceeds from the sale of stamps) of the postal service fund. Total outlays for 1987 are estimated to be \$2.7 billion.

The budget will repropose the termination of the payments by the general fund which are reimbursements to the Postal Service for losses in revenue associated with carrying certain categories of mail at free or reduced rates. However, legislation will be proposed to enable the Postal Service itself to continue the subsidy for most existing subsidized mailers.

Additionally, the administration's legislative proposals to reform the current civil service retirement system and the Federal employees health benefits program, respectively, will (1) require the Postal Service to begin paying the full share of the actuarial cost of employee pensions, and (2) require the Postal Service to begin paying the cost of postal annuitants' health benefit premiums. In addition, the proposed reforms for the civil service retirement system described in the income security function will be applied equally to Postal Service employees.

Other advancement of commerce.—Federal programs attempt to support an environment for fair and equitable business opportunities and increase international competitiveness by providing technical assistance, developing and distributing scientific standards, collecting and disseminating information on the economy and population, administering U.S. trade laws, and providing export promotion assistance to small and medium sized businesses.

Small and minority business assistance.—The administration is proposing to transfer the Small Business Administration (SBA) to the Department of Commerce, where it will continue to provide small businesses with management and technical assistance programs and to evaluate regulations and proposed legislation for potential impact on small business. In addition, SBA's minority procurement assistance program will be consolidated with the programs administered by the Minority Business Development Agency

(MBDA) in the Department of Commerce, combining programs which promote minority businesses and eliminating the need for intended beneficiaries to go to two agencies for assistance. The reorganization will help to consolidate Federal business assistance programs into one agency, and reduce administrative expenses.

Because small and minority businesses benefit more from the administration's continuing efforts to stabilize financial markets, and to reduce interest rates and inflation than they do from Federal loan programs, the administration also proposes to eliminate unnecessary loan programs. As part of this initiative, SBA's credit programs would be terminated and its loan portfolio transferred to the Department of the Treasury for liquidation and sale.

New direct loan obligations of \$491 million in 1987 are proposed to cover claims on defaulted SBA guaranteed loans and disburse direct loan commitments made in previous years. These obligations will be administered by the Treasury. Outlays for small and minority business assistance, not including loan repayments and interest, are estimated to be \$485 million in 1987, compared to an estimated \$1,145 million in 1986.

Other.—The administration is again proposing to transfer the functions of the U.S. Travel and Tourism Administration to private, State and local tourism organizations, which are better able to promote international travel to the United States. The administration also proposes to terminate several funds that provide direct financial assistance or insurance to the domestic commercial fishing industry. The administration believes this industry should not be singled out for special treatment.

Tax expenditures.—The tax system provides a variety of incentives for investment in equipment, commercial and industrial structures, and residential housing. For example, the accelerated cost recovery system (ACRS) increases incentives to invest in buildings, rental housing and capital equipment by permitting accelerated writeoff of such expenditures. To the extent that allowable depreciation for tax purposes exceeds the rate at which assets actually depreciate, business tax liabilities are deferred. The investment tax credit also provides incentives for investment in capital equipment.

Under the capital gains provisions of the tax code, income from the sale of capital assets held for more than 6 months is taxed at lower rates than income from regular sources. The exclusion of dividends from a public utility (up to \$750 for a single return and \$1,500 on a joint return) that were reinvested in the common stock of the utility was allowed to expire on December 31, 1985.

The Federal Government also subsidizes homeownership by allowing deductions for mortgage interest and property taxes on owner-occupied homes. Additional benefits are provided by permitting capital gains on home sales to be either deferred or excluded from income.

Tax expenditures for commerce and housing credit are listed in the accompanying table and discussed in more detail in Special Analysis G, "Tax Expenditures."

TAX EXPENDITURES FOR COMMERCE AND HOUSING CREDIT

(Outlay equivalents; in millions of dollars)

Description		Estimates	
Description	1985	1986	1987
Dividend and interest exclusion	660	685	720
Exclusion of interest on State and local industrial development bonds	1,880	2,155	2,295
Exemption of credit union income	345	375	405
Excess bad debt reserves of financial institutions	180	60	535
Exclusion of interest on life insurance savings	5,020	5,370	5,720
Deductibility of interest on consumer credit	15,845	17,775	18,835
Deductibility of mortgage interest on owner-occupied homes	24,975	27,180	29,870
Deductibility of property tax on owner-occupied homes	9,395	10,145	10,955
Exclusion of interest on State and local housing bonds for owner-occupied			
housing	1,610	1,985	2,405
Exclusion of interest on State and local debt for rental housing	760	945	1,075
Capital gains (other than agriculture, timber, iron ore and coal)	42,235	44,410	46,880
Deferral of capital gains on homes sales	2,535	2,570	2,965
Exclusion of capital gains on home sales for persons age 55 and over	1,150	1,275	1,400
Carryover basis of capital gains at death	6,850	7,690	8,535
Investment credit (other than employee stock ownership plans, rehabilitation			
of structures, energy property, and reforestation expenditures)	32,840	35,100	38,430
Accelerated depreciation of rental housing	795	875	950
Accelerated depreciation of buildings other than rental housing	8,555	9,720	10,525
Accelerated depreciation of machinery and equipment	21,460	22,940	24,215
Safe harbor leasing rules	2,640	2,245	1,850
Amortization of start-up costs	350	330	305
Reinvestment of dividends in public utility stock		170	
Reduced rates on the first \$100,000 of corporate income	9,245	9,805	11,115
Deductions for special percentage of taxable income for life insurance			
companies	1,335	1,425	1,515
Total (after interactions), commerce and housing credit <sup>1</sup>	187,985	204,630	220,790

The estimale of Iolal lax expenditures for this function reflects interactive effects among the individual ilems. Therefore, the estimates cannol simply be added.

# COMMUNITY AND REGIONAL DEVELOPMENT

The Nation requires healthy and thriving communities to maintain the economic vitality and general well-being of society. Federal programs for community and regional development supplement State and local government efforts to sustain economic and social growth in urban and rural neighborhoods, communities, and regions. Specific programs assist particular regions, provide disaster relief, and support Indian projects. Most of this assistance takes the form of grants, but direct and guaranteed loan programs exist as well.

In 1987, the administration will continue its effort to concentrate Federal resources on national priorities and provide maximum opportunity for State and local governments to meet their own local community and economic development needs. The devolution of responsibility to the State and local level brings closer to the people the decision on whether or not to pay to support development programs. To achieve this, the administration proposes to eliminate a number of Federal categorical programs currently providing support for specific local community and economic projects. The comprehensive and more flexible community development block grants (CDBG) program will be the principal vehicle for Federal support.

The administration is requesting budget authority of \$3.8 billion in 1987 for community and regional development, which represents a reduction of 45% from the 1986 level. Outlays are estimated to total \$6.5 billion in 1987, a reduction of 18% from 1986.

Community development.—The principal Federal program in this category is the community development block grant program, which is administered by the Department of Housing and Urban Development (HUD).

Community development block grants (CDBG).—The community development block grant program provides Federal support for cities, counties, Indian tribes, and U.S. territories, to help them meet their community and economic development needs. After certain funds are set aside for the Secretary's discretionary fund, which provides grants for Indians, insular areas, and technical assistance in support of CDBG activities, CDBG funds are allocated by formula to States, large cities, and urban counties. Seventy percent of these remaining funds go to the large city/urban county program and 30% to the State-administered small cities program. The States receive funds that State policymakers distribute to smaller communities and rural areas.

In 1987, the administration proposes to change the statutory distribution between the large city/urban county program and the

### NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
BUDGET AUTHORITY					
Community development: Community development block grants Urban development action grants Rental rehabilitation	440	2,990 109	2,125	2,740	2,850
Rental development	350	376	338	269	250
Subtotal, Community development	4,262	3,476	2,462	3,009	3,100
Area and regional development: Rural development Economic development assistance. Indian programs Regional commissions. Tennessee Valley Authority Offsetting receipts.	155 125 —328	1,712 139 1,108 39 100 -300	1,180 1,101 1 58 -313	1,523 1,104 60 -313	1,135 1,106 62 -314
Subtotal, Area and regional development	3,664	2,798	2,027	2,374	1,988
Disaster relief and insurance: Small business disaster loans: Existing law	100	346 79 123	- 403 - 483 100 5 65	- 369 287 175	-356 -129 175
Subtotal, Disaster relief and insurance		548	<b>—715</b>	_414	<b>— 241</b>
Total, budget authority		6,823	3,775	4,969	4,846

States program from 70%-30% to 65%-35%. The administration proposes this change to increase the resources with which States may serve rural areas currently served by the Farmers Home Administration. Since the advent of the State CDBG program in 1981, rural areas have received more CDBG funding than under the small cities program previously administered by HUD. The proposed distribution formula would provide \$128 million more in 1987 to the State-administered program than would the current formula. The administration also proposes to defer \$500 million of 1986 budget authority to 1987. Including this \$500 million with the proposed \$2.1 billion in 1987 budget authority, the CDBG program will have \$2.6 billion available in 1987. As part of this initiative, the administration will propose to reform the process through which CDBG grants are distributed to mitigate the effect of these reductions on communities with the greatest need.

Urban development action grants (UDAG).—The administration proposes to terminate the UDAG program and rescind \$220 million of budgetary resources in 1986 as part of the Governmentwide effort to cut back categorical local economic development subsidy

### NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
OUTLAYS					
Community development: Community development block grants Urban development action grants Rental rehabilitation Rental development Other	497 14 1	3,575 488 140 103 296	3,099 413 135 105 166	2,629 331 10 104 64	2,664 214 35
Subtotal, Community development	4,598	4,602	3,918	3,138	2,912
Area and regional development: Rural development Economic development assistance. Indian programs Regional commissions. Tennessee Valley Authority Other Offsetting receipts	351 1,054 218 140 5 328	1,661 225 1,074 161 139 -6 -300	1,527 174 1,149 128 108 -6 -313	1,572 120 1,154 88 108	1,322 63 1,161 51 68 -314
Subtotal, Area and regional development	-273 192 -119	2,956 -158 322 51 149	2,768  - 585 121 249 - 38 92	-633 -23 225 -51 67	2,351 -448 -37 175 -55 68
Subtotal, Disaster relief and insurance	<b>—35</b>	364	-161	<b>—415</b>	-296
Total, outlays	7,680	7,922	6,525	5,452	4,968

programs that distort economic investment choices and impose Federal priorities on State and local governments. These subsidies assist local governments in their efforts to compete with other areas to attract private investment. Federal programs like UDAG distort economic decision-making, thereby inducing firms and individuals to use scarce economic resources less productively. Cities may, at their discretion, continue to use remaining CDBG resources to assist economic development projects. The \$413 million in outlays estimated for this program in 1987 reflects the continued spendout of funds for projects approved in prior years. In addition, once tax reform legislation has been enacted, the administration is planning to repropose an enterprise zone program that would provide tax incentives for redevelopment of economically distressed areas.

Rental rehabilitation grants.—In 1983, the administration proposed, and the Congress enacted, a new housing rehabilitation program to support the voucher program in communities with an insufficient supply of standard quality low- and moderate-income rental housing. A total of \$300 million in budget authority was

made available for this program, enough to allow the Federal Government to subsidize up to half the costs of rehabilitating an estimated 69,000 rental housing units by the end of 1986. In 1987, outlays for this program are estimated to be \$135 million. The administration is proposing to rescind \$75 million of 1986 budget authority and terminate this program because rental housing rehabilitation can be supported more effectively by the CDBG program as well as various State and local government efforts.

Rental development grants.—In the Housing Urban-Rural Recovery Act of 1983, the Congress created a new rental development grant program to subsidize the construction or substantial rehabilitation of rental housing in low- and moderate-income neighborhoods experiencing a severe shortage of rental housing. This program was funded on a one-time demonstration basis for 2 years, with a total of \$315 million in budget authority made available. The administration proposes to discontinue this program and rescind \$75 million of 1986 budget authority because new housing construction is a very expensive way to provide housing assistance. Most importantly, this program is not well targeted for low-income people—those most in need of housing assistance. Outlays for rental development grants awarded from 1984-1986 are expected to reach \$105 million in 1987 and then decline thereafter.

Area and regional development.—Programs in this category support rural development, development programs of American Indian tribal governments, and multi-State regional development.

Rural development.—The administration proposes to terminate the Farmers Home Administration (FmHA) rural development loan and grant programs in favor of HUD's State-administered CDBG program. Eliminating this unnecessary program will save \$36 million in 1987. The FmHA program serves the same population and provides funding for the same purposes as the CDBG program. As described above, the administration is proposing to change the CDBG distribution formula to provide more resources to smaller communities through the State program. Estimated outlays for rural development are \$1.7 billion in 1986.

Economic development assistance.—The Department of Commerce's Economic Development Administration (EDA) provides public works grants to States and communities, and loan guarantees to businesses. Similar funds are available for locally derived community development programs through the community development block grant program. In light of the stronger fiscal health of State and local governments relative to the Federal Government, the administration is proposing to terminate EDA activities beginning in 1986. Thus, no new budget authority is requested for 1987.

Closeout costs to cover on-going administrative expenses associated with the expenditure of obligations made in earlier years will be financed from 1986 appropriations. In addition, the administration proposes to rescind any unobligated EDA funds other than those required for close-out costs. Outlays in 1987 are for projects approved in previous years.

Indian programs.—The three major objectives of Federal Indian policy are to meet the trusteeship responsibilities of the Federal Government, to increase self-determination for American Indian tribal governments, and to encourage economic development on Indian reservations.

Outlays for regional development from the Indian programs and miscellaneous trust funds administered by the Bureau of Indian Affairs are estimated to be \$1.1 billion in 1986 and 1987. The Department of Housing and Urban Development also provides community development support specifically for Indians through a setaside in the community development block grant program described above. Total Federal outlays for special Indian programs Governmentwide, including programs in other functions such as income security and education, are expected to be \$2.8 billion in 1987. This amount does not include payments received by Indians from the miscellaneous trust funds or from programs available to all qualified U.S. citizens.

Appalachian Regional Commission (ARC).—The ARC was established in 1965 to provide economic development assistance to the 13-State Appalachian region. Since 1965 more than \$5 billion in Federal funds has supported highway construction and financed community development-related facilities. Given the economic development that has occurred in the region following the economic decline experienced in the 1960's, and the magnitude of Federal funding received to date, the administration maintains that ARC's regionally-targeted funding has outlived its purpose and cannot be justified. Thus, the administration proposes termination of ARC in 1987. In addition, a rescission of \$81 million is proposed for 1986.

Tennessee Valley Authority (TVA).—The administration proposes the termination of direct support for TVA's regional economic, community, and agricultural development programs, which are more appropriately private or State and local government responsibilities. These programs have included activities such as promotion of tourism, forestry and wildlife, and park operations. To the extent that Federal assistance might be warranted, it can be allocated more equitably by programs administered nationally by other Federal agencies. TVA's basic responsibilities for water resources systems management and the national fertilizer research program

would continue. Outlays for TVA's activities in this function are estimated to be \$108 million in 1987, down from \$139 million in 1986. The TVA power program, financed through the sale of electricity, would not be affected by this reduction and is discussed in the energy function.

Disaster relief and insurance.—Providing insurance against losses from floods, hurricanes, tornadoes, and other natural disasters is primarily the responsibility of private insurers. State and local governments aid recovery when necessary, and Federal insurance and disaster relief programs are available to supplement State and local resources when those resources are insufficient.

Small business disaster loans.—The Small Business Administration (SBA) provides loans to homeowners and businesses that suffer losses as a result of disasters. The administration proposes to eliminate the SBA disaster loan program because private insurance and Federal flood insurance is available to cover losses, and because the Federal Government should not provide assistance for losses resulting from normal business risks. Upon termination of the program in 1987, the existing portfolio of SBA disaster loans would be transferred to the Department of the Treasury, which would service, and subsequently sell, the loans. Loan repayments and sales receipts for this program are estimated to exceed outlays from prior commitments and other expenses by \$585 million in 1987.

Disaster relief.—The Federal Emergency Management Agency administers this nationwide program, which provides supplemental assistance to individuals and State and local governments in the event of a Presidentially-declared emergency or disaster. In addition, States or Federal agencies may be reimbursed for disaster relief work performed under this authority. The recent spate of disasters, including the severe flooding in West Virginia and Virginia, have depleted the reserves in the disaster relief fund. Accordingly, a supplemental request of \$250 million in budget authority is being requested in 1986 to replenish the fund in order to respond to current and future disasters without delay.

Currently, most costs of disaster relief are shared by the Federal Government (75%) and by State and local governments (25%). In 1987, the administration proposes to revise the cost sharing formula to create a greater sharing of costs by State and local governments. A sliding scale will be developed to assure appropriate Federal support for exceptionally severe disasters. Outlays are estimated at \$249 million in 1987.

National flood insurance fund.—The Federal Emergency Management Agency operates a national program of direct Federal flood insurance at subsidized rates. Since the program began in

# CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

(In millions of dollars)

	Actual		Estim	ate	
	1985	1986	1987	1988	1989
Direct loans:					
Rural development (FmHA):					
New obligations	455	421			
Change in outstandings	-41	-5	141	83	<b>—</b> {
Outstandings	102	98	239	156	150
Rural development (FFB loan assets) 1:	102	30	200	100	100
Change in outstandings	415	313		362	
Outstandings	7,643	7,956	7,956	8,318	8,31
Outstandings Economic development assistance:	,,,,,,,	,,,,,,	,,,,,,	0,010	0,01
New obligations	93	21	16	14	1
Change in outstandings	7	-49	-38	-16	-1
Outstandings	631	582	544	528	51
Small business disaster loans:					
New obligations	320	342	259		
Change in outstandings	- 403	-286	-1,462	1,495	-1.28
Outstandings	4,557	4,270	2,808	1,314	2:
Rural telephone bank:	.,	.,_,	_,555	-,	_
New obligations	168	177	139	93	41
Change in outstandings	55	71	-31	-33	-3
Outstandings	1,383	1,454	1,423	1,390	1,35
Other:	2,000	2,	2, .20	-,555	-,
New obligations	94	31	20	21	2
Change in outstandings	<b>— 29</b>	- 15	- 88	_94	-9
Outstandings	1,423	1,408	1,319	1,226	1.13
Other (loans made by FFB) 2:	-,	-,	-,	-,	_,
New obligations	133	50			
Change in outstandings	81	45	-2	<b>—55</b>	<b>—7</b> 3
Outstandings	323	368	366	311	233
Total, direct loans:					
New obligations	1,263	1,041	434	128	7:
Change in outstandings	86	74	-1,480	<b>— 1,413</b>	-1,513
Outstandings	16,061	16,135	14,656	13,242	11,72
Guaranteed loans:		i			
Rural development (FmHA):				j	
New commitments	61	96			
Change in outstandings	-294	-223	-156	<b>— 395</b>	-24
Outstandings	2,912	2,689	2,533	2,138	1,89
Economic development assistance:					
New commitments	15	30			
Change in outstandings	<b>—172</b>	-25	<b>-40</b>	<b>— 25</b>	-2
Outstandings	235	210	170	145	123
Small business disaster loans:		1			
Change in outstandings	*	*	*	*	
Outstandings	4	3	3	3	- 2
Other:	-				
New commitments	42	60	30	25	2
Change in outstandings	24	50	11	-4	_ :
Outstandings	196	247	258	254	24
Total, guaranteed loans:					
New commitments	118	186	30	25	20
Change in outstandings	-442	-198	-186	<b>-425</b>	-27
Outstandings	3,347	3,149	2,964	2,539	2,26
Total, new obligations and new com-	1				

<sup>\*\$500</sup> thousand or less.

Loans made by the agency and subsequently sold to FFB. The agency guarantees and repurchases the loans when they mature.

Loans guaranteed by the agency and disbursed by FFB. They are counted as direct loans in the credit budget.

1968, losses have amounted to \$1.4 billion. The administration proposes to eliminate this costly subsidy by 1987 through a combination of rate increases, coverage changes, and optional deductibles, thereby recovering clearly allocable costs of flood insurance from beneficiaries of this program. Beginning in 1987, administrative and other associated costs of flood insurance will be folded into the flood insurance fund and will be recovered through flood insurance premiums. Receipts for this program are estimated to exceed outlays by \$38 million in 1987.

Tax expenditures.—Direct Federal funding for community and regional development is supplemented by several existing tax expenditures. Under certain conditions, taxpayers may elect to amortize rehabilitation expenditures for low- and moderate-income rental housing over a 5-year period. The 1987 tax expenditure for this provision is \$80 million. Development is also assisted by the exclusion of interest on State and local industrial development bonds for airports and docks, as well as sports and convention facilities. The estimate for this provision is \$695 million in 1987. Special tax credits are also available for rehabilitation of older nonresidential buildings. For 1987, the estimated tax expenditure for this program is \$410 million. Total tax expenditures for community and regional development for 1987 are estimated to be \$1.2 billion.

# **INCOME SECURITY**

Federal programs in the income security function help meet the needs of individuals by insuring against loss of income resulting from retirement, disability, death, or unemployment of a wage earner, and by assisting the truly needy who are unable to provide for themselves. The income security function includes retirement and disability programs for Federal civilian and military personnel, railroad employees, and coal miners. Retirement and disability benefits are financed by a combination of employer and employee contributions and direct Federal payments. The income security function also includes unemployment compensation programs and a wide range of housing, food, and cash assistance programs.

General retirement and disability insurance (excluding social security).—This subfunction includes programs that provide retirement and disability benefits for railroad workers and coal miners.

Railroad retirement.—The Railroad Retirement Board (RRB) will administer retirement and disability benefits to an estimated 954,000 former railroad employees, their dependents, and survivors in 1987. RRB payments include benefits equivalent to social security retirement and disability benefits, as well as rail industry pensions and federally subsidized windfall payments. Benefits are financed through payroll deductions by railroad employers and employees, payments from social security trust funds, and direct subsidies from taxpayers. Not including \$0.2 billion of interest payments from RRB to Treasury, estimated 1987 outlays are \$3.8 billion. These outlays include \$352 million for the Federal windfall subsidy component, which represents an annual subsidy of some \$1,000 per active railroad employee.

The administration proposes two legislative initiatives to correct unintended subsidies to the rail sector that are financed by the social security program. First, the Secretary of Health and Human Services would conduct continuing reviews of the railroad retirement disability rolls. Unlike persons getting direct social security disability payments, persons getting social security equivalent railroad retirement disability benefits do not have their continuing eligibility reviewed. Social security's disability trust fund pays more to finance railroad retirement disability benefits than it would if it were directly administering the benefits. Second, the rail sector equivalent of workers' compensation, provided under the Federal Employers' Liability Act, would be treated like regular workers' compensation and payments would be offset against rail disability payments.

The budget proposes legislation to: (1) make uniform the treatment of rail pension payments for income tax and cost-of-living

adjustment purposes by correcting flaws in the law that now treat these industry pensions like social security; (2) freeze cost-of-living adjustments on rail pensions for 1 year; (3) extend Federal/State unemployment insurance coverage to railroad employment; (4) require the railroad retirement trust funds to pay the full normal costs of Railroad Retirement Board employees' pensions less employee contributions; and (5) require the rail sector to finance 25% of Federal windfall subsidy costs.

The administration will propose several reforms permitting short-term savings and privatization of rail industry pensions. Railroad retirement is the only private industry pension system embedded in Federal law, subsidized by taxpayers and administered by a Federal agency. Although not included in the budget estimates, privatization would generate long-term savings.

Special benefits for disabled coal miners.—Miners who suffer from chronic dust disease of the lungs—black lung—and who meet specified medical criteria are entitled to monthly cash payments and medical benefits. Cash payments are also made to their dependents and survivors. The basic monthly cash payment is based on the GS-2 Federal salary level. Outlays are estimated to be \$1.6 billion in 1987.

Beneficiaries receive payments from either general revenues or the black lung disability trust fund. Under proposed legislation, general fund payments would be calculated using the social security rule of rounding down to the nearest dollar. Also, legislation is being proposed that would have general fund financed benefits considered—in the same way in which the trust fund financed benefits are considered—in the calculation of social security disability benefits.

The black lung disability trust fund, which is financed by a fee on coal production, is projected to have a deficit of \$3.2 billion at the end of 1986. The budget proposes an increase in the coal fee to stabilize this deficit by 1991. This proposal is discussed in Part 4, "Federal Receipts by Source."

Pension Benefit Guaranty Corporation (PBGC).—This Government corporation was established in 1974 to insure pension benefits promised workers by their private employers. When a defined benefit pension plan is terminated by a sponsoring employer, the Corporation pays the monthly pensions required by the particular plan, up to a maximum set by law. The Corporation may also lend insolvent multi-employer plans the amounts needed to prevent termination, consequently forestalling Government responsibility to pay benefits if the plan is terminated. PBGC revenues include premiums charged to all employers with defined benefit plans,

# NATIONAL NEED: PROVIDING INCOME SECURITY

(Functional code 600; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
BUDGET AUTHORITY					
General retirement and disability insurance (excluding social security): Railroad retirement:					
Existing law Proposed legislation	5,131	5,596	4,745 155	4,669 59	4,551 107
Special benefits for disabled coal miners: Existing law Proposed legislation	1,373	1,708	1,539	1,624	1,601
Other	60	78	87	94	103
Subtotal, General retirement and disability insurance (excluding social security)	6,564	7,382	6,526	6,447	6,362
Federal employee retirement and disability: Civilian retirement and disability programs: Existing lawProposed legislation	40,873	42,603	44,019 2,034	46,452 2,519	48,464 2,652
Military retirement	27,426 207	30,955 232	33,702 259	36,056 274	38,492 322
Subtotal, Federal employee retirement and dis- ability	68,506	73,790	80,014	85,301	89,931
Unemployment compensation: Existing lawProposed legislation	21,001	21,083	22,213 111	20,958 136	19,388 125
Subtotal, Unemployment compensation	21,001	21,083	22,324	21,094	19,513
Housing assistance: Subsidized housing Public housing operating subsidies	10,759 1,402	5,124 1,159	1,172	3,000 1,308	2,860 1,348
Low-rent public housing loans: Existing law Proposed legislation Other housing assistance		1,238 -499 155	1,366 356 93	521 1,571 90	1,581
Subtotal, Housing assistance		7,175	2,986	6,490	5,879
Food and nutrition assistance: Food stamps and aid to Puerto Rico: Existing law	12,577	12,651 — 69	12,657 -313	13,113 - 403	13,467 — 510
Child nutrition and other programs: Existing lawProposed legislation	6,078	6,187	6,583 —775	6,881 —838	7,304 —934
Subtotal, Food and nutrition assistance		18,769	18,151	18,752	19,327
Other income security: Supplemental security income (SSI): Existing law		9,870	10,569 — 34	11,776 — 34	11,359
AFDC and child support enforcement: Existing lawProposed legislation		9,581	9,211 — 278	10,049 — 259	10,30 - 25
Earned income tax credit (EITC)	1,100 444	1,283 322	1,228 374	1,112 372	1,075
Low-Income home energy assistance Other		2,010 165	2,100 143	2,100 143	2,100
Subtotal, Other income security		23,230	23,313	25,259	25,03
Total, budget authority	164,103	151,430	153,315	163,343	166,050

# NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
OUTLAYS					
General retirement and disability insurance (excluding social security):					
Railroad retirement: Existing law Proposed legislation	3,911	3,781	3,750 74	3,901 63	4,095 55
Special benefits for disabled coal miners: Existing law	1,668	1,653	1,648	1,626	1,605
Proposed legislation Pension Benefit Guaranty Corporation: Existing law		39	92	109	118
Existing law Proposed legislation Other	57	-200 71	-203 81	-218 90	- 231 99
Subtotal, General retirement and disability insurance (excluding social security)	5,617	5,344	5,442	5,572	5,742
Federal employee retirement and disability: Civilian retirement and disability programs: Existing law	23,268	24,264	25,630	27,387	29,150
Proposed legislation			<del>-674</del>	-1,341	_1,971
Existing law Proposed legislation		17,649	18,516 — 500	19,666 - 701	20,801 - 742
Federal employees workers' compensation (FECA) Federal employees life insurance fund		232 —733	259 —788	274 —831	322 - 868
Subtotal, Federal employee retirement and dis- ability	38,591	41,412	42,444	44,454	46,692
Unemployment compensation: Existing lawProposed legislation	17,475	16,482	16,884 1	17,270 7	17,301 12
Subtotal, Unemployment compensation	17,475	16,482	16,885	17,278	17,313
Housing assistance: Subsidized housing: Existing law	9,994	10,642	10,657	11.086	11,581
Proposed legislation		_721 1,337	-1,720 1,297	-1,895 1,273	-1,967 1,327
Low-rent public housing loans:  Existing law  Proposed legislation	13,938	1,385 — 499	1,470 356	620 603	-249 831
Other housing assistance		214	170	174	164
Subtotal, Housing assistance	25,263	12,358	12,230	11,862	11,687
Food and nutrition assistance: Food stamps and aid to Puerto Rico: Existing law	12,526	12,557	12,643	13,099	13,451
Proposed legislation	6,014	- 69 6.244	-315 6,469	-406 6.841	-509 7,262
Proposed legislation		0,244	704	_833	-924
Subtotal, Food and nutrition assistance	18,540	18,732	18,094	18,701	19,279
Other income security: Supplemental security income (SSI): Existing law	9,606	10,162	10,569	11,776 34	11,359 — 34
Proposed legislation AFDC and child support enforcement: Existing law		9,738	9,211	10,049	10,301

## NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
Earned income tax credit (EITC)	442	1,283 393 2,019 170	1,228 343 2,091 150	1,112 368 2,100 145	1,075 345 2,100 145
Subtotal, Other income security	22,715	23,765	23,280	25,257	25,033
Total, outlays	128,200	118,093	118,374	123,124	125,743

earnings on investments, and collections from sponsors of terminated plans. Because liabilities assumed under terminated plans exceed income from all sources, the Corporation has a growing deficit that is expected to reach \$1.5 billion by the end of 1987. The budget reflects the administration's request that the Congress enact legislation to increase the current annual premium of \$2.60 per participant paid by single-employer plans. The increase would retard growth of the Corporation's deficit, which more than doubled in 1985. The administration also supports legislation to revise the insurance program for single-employer plans in order to close loopholes in the Employee Retirement Income Security Act of 1974 that allow unwarranted assignment to the Corporation of liabilities for unfunded benefits.

Federal employee retirement and disability.—Of the several employee retirement and disability programs in the legislative, judicial, and executive branches of the Federal Government, the largest are civil service retirement and disability and military retirement.

Civilian retirement and disability programs.—The civil service retirement and disability system covers most of the Federal Government's 2.7 million civilian employees. Under existing law, approximately 2.0 million retirees and survivors will receive payments in 1986 totaling an estimated \$24 billion in outlays. Benefits are paid to former employees who meet eligibility requirements based on age and length of service, and to their survivors. Currently, full retirement benefits can begin at age 55 for employees with 30 years of service. Benefit levels are based on the employee's three highest salary years and are indexed to the Consumer Price Index (CPI). Current workers and their employing agencies each contribute 7% of wages toward retirement costs. The remainder—about 60% of total costs—must ultimately be paid by taxpayers through annual payments to the civil service retirement fund.

Until January 1984, the civil service retirement system was completely separate from the social security system. However, employ-

ees hired after December 31, 1983, are temporarily covered under a combination of civil service retirement and social security. For these new employees, the administration supports the establishment of a permanent, reasonable, and appropriate retirement system that approximates the cost of private-sector pension plans.

In addition, the administration continues to support reform of the current costly civil service retirement system, which provides very generous benefits. In order to sharply reduce the taxpayer subsidy of Federal pensions and to bring Government pension costs more into line with those of private employers, the administration proposes legislation to:

- Reduce the annuities of employees retiring early.—The retirement age for full benefits would be raised to 62. Employees could still retire at 55 with 30 years of service, but the benefits would be reduced by 2% for each year under 62 at the time of retirement. Employees who are already 55 would not be affected, and the proposal would be phased in over 4 years to avoid unduly upsetting the plans of employees who are already near 55.
- Limit cost-of-living adjustments (COLAs).—The scheduled January 1987 COLA would be eliminated. COLAs thereafter would be limited to the percentage change in the CPI less 2 percentage points. The COLA scheduled for January 1986 would be eliminated under provisions of P.L. 99-177.

In addition, the administration's legislative proposal will include reforms to:

- change the base on which benefits are computed from the highest 3 salary years to the highest 5 years; employees within 3 years of retirement eligibility would not be affected;
- conform civil service survivor, adult student, and minimum benefits to those provided by social security;
- increase employee and employer contributions from 7% to 9% in 1987;
- require that the Postal Service and the District of Columbia begin paying the full cost of employee pensions less the employee's contributions; and
- discontinue Federal employee retirement, life, and health insurance coverage for employees first hired by the District of Columbia after September 30, 1986.

In 1987, the package of civil service retirement reforms is estimated to increase receipts by \$937 million and reduce outlays by \$667 million. Comparable changes to other civilian retirement and disability programs are estimated to reduce outlays by \$7 million in 1987.

Military retirement.—Approximately 1.5 million military retirees and survivors will receive an estimated \$18.5 billion in outlays

under existing law in 1987. Normal retirement eligibility is attained at 20 years of service. The initial benefit is 2.5% of final basic pay for each year of service. For personnel entering after September 1980, the average of the member's highest 3 years of basic pay will be used, as specified by current law, instead of final basic pay. Benefits are indexed to the CPI. Consistent with the proposal for civil service retirement, the scheduled January 1987 COLA for military retirement is proposed to be eliminated. The COLA scheduled for 1986 would be eliminated under provisions of P.L. 99-177. Military personnel also make contributions to and are eligible for social security.

Federal employees workers' compensation.—The Department of Labor provides tax-free cash and medical benefits to Federal employees or their survivors for job-related injuries, illnesses, or deaths. About 47,600 workers with long-term disabilities, or their survivors, will receive monthly payments in 1986 and 1987.

Federal employees life insurance fund.—The outlays of this fund are payments to survivors of Federal employees and former employees. Premium payments to this fund are projected to exceed outlays by \$0.8 billion in 1987.

Unemployment compensation.—About 97% of wage and salaried employment in the United States is covered by unemployment compensation programs, which pay benefits to individuals who are temporarily out of work and are searching for jobs. Based on the economic assumptions described in Part 2, an estimated average of 2.3 million workers per week will receive unemployment benefits during 1986 and 2.2 million workers in 1987. Outlays are estimated to increase from \$16.5 billion in 1986 to \$16.9 billion in 1987, because the decline in the projected average unemployment rate from 6.8% in fiscal year 1986 to 6.6% in 1987 is more than offset by an increase in the average weekly benefit amount.

Regular benefits, usually paid for up to 26 weeks, are financed by a State tax on employers and vary according to benefit levels set by each State. Extended unemployment benefits, which increase by 50% the number of weeks an unemployed worker can receive unemployment compensation, are payable in States with high rates of unemployment among covered individuals, as defined by statute. The total number of weeks of regular and extended benefits may not exceed 39. Extended benefits are financed in equal portions by State and Federal taxes on employers.

Benefits paid to former Federal civilian and military employees are financed by the Federal agency that employed them. Additional benefits are available to certain workers in specific circumstances, such as former Conrail employees. State and Federal administrative costs are financed by a Federal tax on employers. States have raised questions about equity in allocating resources among States, lack of flexibility resulting from the highly specific allocations, and adequacy of resources to support certain activities. The administration is soliciting the views of interested parties about the full range of options, including devolution, to resolve these problems in a way that provides States with increased authority, flexibility, and responsibility for the effectiveness and the financing of the administration of unemployment insurance and the employment service.

The administration proposes to ensure comprehensive unemployment insurance coverage for rail workers by extending Federal-State unemployment insurance coverage to railroad employment beginning in 1987 with a transitional program. Under this proposal, all rail workers becoming unemployed after September 30, 1986, would be eligible for the generally higher maximum weekly benefits available under the Federal-State program. Railroads would reimburse States for the costs of benefits paid during the transition, allowing States time to gain experience with railroad employment before regular State unemployment insurance contributions from the railroads begin. This proposal would speed repayment of the rail sickness and unemployment fund's debts to the rail pension fund.

Housing assistance.—The Federal Government provides housing subsidies for low-income families and individuals through several programs administered by the Department of Housing and Urban Development (HUD) and the Department of Agriculture (USDA). Eligibility for HUD assistance is generally limited to households with annual incomes below 50% of median income in each community; USDA programs serve households with incomes up to 80% of the median income. In subsidized rental programs, tenants are required to contribute 30% of their income toward their housing costs. By the end of 1985, 5.4 million households, or approximately 16 million people, were receiving housing assistance. As a result of the completion of units already under construction, the addition of units funded in 1985 or before that are not yet in service, and the utilization of units recommended in the budget, the number of assisted households will grow to 5.7 million by the end of 1987—4.2 million in HUD-assisted units and 1.5 million in USDA-assisted units—an increase of over 1.4 million households (33%) since 1980.

The budget proposes to terminate the separate Agriculture Department's Farmers Home Administration (FmHA) housing assistance programs. This includes the FmHA credit activities supporting homeownership and rental housing construction described in the commerce and housing credit function. Beginning in 1987, HUD will expand its role in nonmetropolitan areas and assume full

responsibility for providing housing assistance in both rural and urban areas. The allocation of HUD housing vouchers to 50,000 additional households annually would be split evenly between metropolitan and nonmetropolitan areas, thereby approximating the urban-rural distribution in the total HUD- and FmHA-assisted units between 1980 and 1985. This change would consolidate housing assistance under a single Federal agency.

Of HUD's privately-owned assisted units, 2.0 million are administered under its section 8 program. Subsidies are either earmarked for specific units, or are tenant-based and can be used for any private units that satisfy housing quality standards and rent at or below a specified level.

The new construction or substantial rehabilitation subsidies under section 8 are earmarked for specific units. Commitments made for these programs will result in over \$95 billion in Federal outlays over the life of the subsidy contracts. Supplementing the required tenant rent contributions, these subsidies help defray operating and capital costs of the housing projects. In 1983, Congress repealed authority to make new section 8 commitments except for units designed to serve the elderly. At the end of 1985, 757,000 families benefited from the new construction programs. An additional 456,000 families benefited from housing projects funded under section 8 but by means other than new construction.

The section 8 existing and housing voucher programs currently provide tenant-based subsidies for 786,000 families in standard quality units that rent at or below specified levels. The housing voucher program was created in 1983. Like the section 8 existing program, the voucher makes up the difference between a specified private market rent level and the required tenant rent contribution. Unlike the section 8 existing program, tenants retain the savings if they select units that rent below the payment standard, giving tenants a powerful incentive to shop for high-quality but low-cost units.

The budget proposes to fund 50,000 housing vouchers in HUD each year beginning in 1986. Because housing vouchers require considerably less budget authority than already appropriated for HUD's housing programs in 1986, the budget is able to fund both the 1986 and 1987 housing assistance programs using the 1986 appropriation. Budget authority of \$2.3 billion will be deferred to 1987 to fund vouchers for 50,000 additional households that year. In addition, the budget proposes to rescind \$4.4 billion in excess 1986 budget authority.

Publicly-owned rental housing is provided by Public and Indian Housing Authorities (PHAs and IHAs). The Federal Government uses an operating-cost formula to provide operating subsidies to PHAs and IHAs to supplement the required tenant rent contributions. The budget includes \$1.2 billion in budget authority for operating subsidies for almost 1.4 million public and Indian housing units. This request assumes no growth in personnel and related expenses, but allows for inflation adjustments for utilities and other nonpersonnel expenses that are generally beyond the PHAs' and IHAs' ability to control.

The Federal Government is also obligated to amortize the costs incurred by PHAs and IHAs to build or acquire housing units and their subsequent modernization. Because of the changes in the tax law enacted in 1984, questions have been raised about the tax status of PHA and IHA obligations financing these projects. Consequently, tax-exempt financing has been suspended and replaced by direct Federal loans. Outlays of \$14 billion in direct loans were necessary in 1985 and \$1.5 billion in outlays are estimated for 1986 to meet on-going construction needs and to repay maturing PHA and IHA short-term tax-exempt obligations. Since direct loans are being provided, no new guaranteed loan commitments will be needed.

The administration continues to support a thorough reform of public and Indian housing capital financing. Proposed changes, which have been partially adopted in legislation pending before Congress, would not affect program levels, but would eliminate an unnecessarily complex financing procedure. The current financing method is inefficient, because the revenue losses to the Government from the public housing notes' tax-exempt status exceed the interest savings.

In 1986, the adminstration proposes to limit modernization funding to \$458 million for emergency capital needs, using the current method of financing over a 20-year period. In 1987, instead of requesting budget authority to amortize this capital expenditure over 20 years, the budget requests funds for 1 year. Using this direct grant approach, the budget proposes \$225 million for emergency modernization needs in 1987, an amount equivalent to the 1986 program level.

**Food and nutrition assistance.**—Low- and middle-income families and individuals receive food and nutrition assistance through a number of Federal programs.

Food stamps and aid to Puerto Rico.—Food stamps help lower-income families maintain a nutritious diet. Eligible households receive monthly allotments of stamps, based on income and household size, to finance food purchases. Benefits are entirely federally funded; administrative costs are shared by the States and the Federal Government. Benefits are adjusted annually for changes in the cost-of-living, with the next adjustment scheduled for October 1986. An estimated 19.5 million people will receive food stamps

## CREDIT PROGRAMS—INCOME SECURITY

(In millions of dollars)

	actual 1985	Estimate				
		1986	1987	1988	1989	
Direct loans:						
Low-rent public housing: New obligations	14.065	1,459	1,722	1,124	488	
Change in outstandings	13,479	-14,694				
OutstandingsLow-rent public housing (loans made by FFB) 1:	14,694					
Change in outstandings	-32	_35	37	-39	42	
Outstandings	2,146	2,111	2,074	2,035	1,993	
New obligations	2	3	3	3	3	
Change in outstandings	$-1 \\ 20$	$-1 \\ 19$	$-\frac{1}{18}$	$-\frac{1}{17}$	$-1 \\ 16$	
_						
Total, direct loans: New obligations	14,066	1,462	1.725	1,128	491	
Change in outstandings	13,445	-14,730	_38	-41	<b>—43</b>	
Outstandings	16,861	2,131	2,093	2,052	2,009	
Guaranteed loans:						
Low-rent public housing: Change in outstandings	<b>— 13,276</b>	<b>—310</b>	337	<b>— 364</b>	-392	
Outstandings	8,887	8,577	8,240	7,876	7,484	
Total name obligations and assurance						
Total, new obligations and new com- mitments	14,066	1,462	1,725	1,128	491	

<sup>&</sup>lt;sup>1</sup> Loans guaranteed by the agency and disbursed by FFB. They are counted as direct loans in the credit budget.

each month during 1987, with associated Federal outlays of \$11.5 billion under proposed law. Outlays for the nutrition assistance block grant for Puerto Rico are estimated to be \$825 million in 1987.

In aid to families with dependent children (AFDC) and medicaid, the States are held liable for the full dollar value of erroneous payments above a 3% tolerance level, while in food stamps, they are held liable for only a fraction of erroneous payments above 5%. As a result, States were held liable for *only one-tenth* of the \$890 million in food stamps they issued erroneously during 1984. The administration proposes that food stamps be brought into closer conformity with medicaid and AFDC. Beginning in 1987 States would be held liable for the full dollar value of erroneous benefits issued above 5%, raising State liabilities to only one-third of total erroneous payments.

The administration proposes legislation to reform Federal funding for State and local administrative costs. A uniform 50% Federal matching rate for all types of administrative costs would be phased in over several years, replacing the complicated and disparate set of matching rates now in place for various types of State overhead costs. Similar changes are proposed for medicaid (discussed in the health function) and AFDC.

As in AFDC, the administration is proposing legislation to require employable food stamp recipients to participate in a work program as a condition of receiving benefits. The administration's proposal would build upon the work provisions enacted in the Food Security Act of 1985 by applying them to a broader base of recipients. As in the farm bill, the administration's proposal would allow each State to choose a mix of work programs to suit the specific work needs of its food stamp recipients. Work programs could include—but would not be limited to—workfare, job training, and job search. Participation would encourage recipients to work in the private sector or perform useful public services. The estimated number of 1987 food stamp participants would not be significantly affected by the administration's work proposal.

Child nutrition and other programs.—The child nutrition programs subsidize meals for children in schools, child care facilities, and other institutional settings. Approximately 12.7 million young Americans will receive federally subsidized meals in 1987. Subsidies include both cash payments and commodities. For all the programs in this category, Federal outlays in 1987 are estimated to be \$5.8 billion.

The administration continues to support legislation to better target Federal nutrition benefits to children from lower-income families. For students from non-needy families, meal subsidies would be discontinued in school lunch and breakfast programs and child care facilities. This proposal would save an estimated \$634 million in 1987 outlays. Summer feeding program reimbursements would be made consistent with those for the other child nutrition programs, for an estimated 1987 outlay savings of \$19 million.

The special supplemental food program for women, infants, and children (WIC) will provide nutritious food supplements every month to approximately three million low-income women and their young children in 1987. It is designed to lessen health problems associated with inadequate diets during critical stages of child development. The administration is requesting \$1.6 billion in budget authority in 1987, \$57 million above the 1986 level.

Related food assistance programs in other functions.—The Commodity Credit Corporation (CCC) donates surplus food, such as cheese, butter, and nonfat dry milk, for distribution to food banks, charitable institutions, and schools. Acquired as part of the agricultural price support programs, CCC commodities valued at \$1.2 billion are expected to be donated in 1987. In addition, the Department of Health and Human Services administers a nutrition program for the elderly with estimated 1987 outlays of \$0.4 billion, described in the social services subfunction.

Other income security.—A number of other income security programs assist the poor. Estimated outlays for these programs are \$23.3 billion in 1987.

Supplemental security income (SSI).—This program will make cash payments to an estimated four million needy aged, blind, or disabled persons in 1987. Benefits are to be automatically increased in January 1987 by the same percentage as social security benefits. Federal outlays in 1987 are estimated at \$10.5 billion. Some States also finance supplements to the basic Federal grant, which may be administered by the Federal Government at no charge to the States. The administration proposes minor reforms to eliminate unintended duplicative payments to some SSI beneficiaries.

AFDC and child support enforcement.—Aid to families with dependent children (AFDC) helps State and local governments finance cash assistance to needy families. States administer the AFDC program, determining guidelines for eligibility and the level of benefits within broad Federal rules. The Federal Government reimburses States for, on average, slightly more than half of the benefit costs. Child support enforcement (CSE) finances most State and local administrative expenses for establishing paternity and collecting support from legally liable absent parents. These collections offset State and Federal AFDC costs. Federal outlays for AFDC and CSE are estimated to be \$8.9 billion in 1987, compared with \$9.7 billion in 1986. About 3.7 million families are expected to receive AFDC benefits in 1987 under current law. Child support collections on behalf of about 0.7 million of these families are also anticipated.

The administration continues to support legislation to achieve selected reforms of AFDC. Legislation is proposed to require that employable AFDC applicants and recipients engage in job search and work activities as a condition of AFDC eligibility. The unsuccessful work incentive (WIN) program—classified in the education, training, employment, and social services function—would be replaced. Other reforms would prohibit unmarried minor mothers from leaving their parents' home solely to qualify for AFDC, and would eliminate payments to employable AFDC parents whose youngest child is age 16 or older.

In addition, the administration proposes legislation to reform Federal funding for State and local administrative and training costs in AFDC. A uniform 50% Federal matching rate for all types of administrative costs would be phased in over several years, replacing the complicated and disparate set of matching rates that is now in place for various types of State overhead costs. Similar changes are proposed for medicaid (discussed in the health function) and food stamps. Comparable changes to computer-related

and other State funding in child support enforcement are also proposed.

These AFDC and CSE reforms would save an estimated \$278 million in Federal outlays in 1987 and a comparable amount in State and local costs.

Earned income tax credit (EITC).—Wage earners with children are eligible for tax credits if they earn less than \$11,000. When the credit exceeds a wage earner's income tax liability, the Treasury Department makes a cash payment. Credits can be received as additions to paychecks or as a lump sum at the end of the year. Total 1987 outlays for these payments are estimated to be \$1.2 billion. When the credit does not exceed the wage earner's tax liability, no direct Treasury payment is made and the credit is considered a tax expenditure rather than an outlay. In 1987, EITC tax expenditures are estimated to be \$300 million.

Refugee assistance.—The Federal Government fully subsidizes States for initial costs associated with refugee and entrant resettlement, including preventive health activities, cash and medical assistance, employment, and English language training. Estimated 1987 outlays are \$343 million. Assistance is intended to help refugees become self-sufficient as soon as possible after they arrive in the United States. Aid to refugees while they are overseas is discussed in the international affairs function.

The administration proposes that, beginning in 1987, all refugee cash and medical assistance be funded through the refugee assistance account under eligibility rules tailored to refugee circumstances. This will enable resettlement organizations to better meet the needs of the refugee population and encourage early self-sufficiency. While this proposal increases the budget authority for the refugee program, a corresponding decrease in budget authority would occur in medicaid and AFDC. In addition, the Federal Government would reduce subsidies to States for cash and medical assistance provided to refugees, without reducing benefits provided to refugees. States would pick up a greater share of the costs.

Low-income home energy assistance.—The Department of Health and Human Services gives States block grants to help pay the fuel bills of low-income families. States can make direct cash payments to eligible families, payments to fuel vendors, or payments to public housing building operators. The States may also finance weatherization of homes for some low-income families. For 1987, the administration proposes to continue the 1986 (pre-sequestration) budget authority level of \$2.1 billion. Related programs for low-income home weatherization and energy conservation for

schools and hospitals are financed by the Department of Energy, and are discussed in the energy function.

Tax expenditures.—Federal tax laws encourage provision for retirement income by excluding from employee taxable income their employer's contributions and by allowing individuals to exclude their own contributions to individual retirement accounts (IRAs) and Keogh accounts. The maximum IRA contribution is limited to \$2,000 annually. However, married taxpayers whose spouses have no earnings may invest in a spousal IRA as well. The total invested in both accounts may not exceed \$2,250, with no more than \$2,000 in any single account.

Many tax expenditures related to income security programs result from Government benefits not being included in the taxable income of recipients. For example, workers' compensation benefits, unemployment compensation received by lower-income taxpayers, and other income security assistance for the needy are excluded from taxable income. In contrast, Federal employee retirement benefits are subject to tax; therefore, the receipt of such benefits does not result in a tax expenditure. The largest tax expenditure item in this function is the net exclusion of pension contributions and earnings, including contributions to IRAs and similar pension plans.

TAX EXPENDITURES FOR INCOME SECURITY

(Outlay equivalents; in millions of dollars)

Description	Estimates			
Description	1985	1986	1987	
Net exclusion of pension contributions and earnings:				
Employer plans	71,065	78,190	86,755	
Individual Retirement Accounts (IRAs)	18,685	21,090	22,925	
Keogh plans		3,730	4,140	
Exclusion of other employee benefits:	,			
Premiums on group term life insurance	2,765	2,990	3,225	
Premiums on accident and disability insurance		170	175	
Income of trust to finance supplementary unemployment benefits	20	30	30	
Additional exemption for elderly	3,040	3,340	3,675	
Additional exemption for the blind	35	40	40	
Tax credit for the elderly and disabled	110	110	115	
Exclusion of military disability pensions		125	125	
Exclusion of railroad retirement system benefits	445	455	460	
Exclusion of special benefits for disabled coal miners	150	145	145	
Exclusion of workmen's compensation benefits	2,325	2,500	2,685	
Exclusion of untaxed unemployment insurance benefits	1,115	995	940	
Deductibility of casualty losses		335	375	
Exclusion of public assistance benefits		580	605	
Earned income credit 1		330	300	
Total (after interactions) income security <sup>2</sup>	102,780	113,135	124,465	

¹ The figures in the table indicate the tax subsidies provided by the earned income tax credit. The effect on outlays is: 1985 \$1,100 million. ¹ The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore the estimates cannot simply be added.

# GENERAL PURPOSE FISCAL ASSISTANCE

General purpose fiscal assistance provides financial aid to State and local governments without major restrictions or matching requirements. This assistance can generally be used for State or local services, construction, debt retirement, and other purposes of general government. Programs in this category include general revenue sharing, payments to the District of Columbia, Forest Service receipts paid to the States, payments in lieu of taxes, and payments to territories and Puerto Rico. Outlays for this function are estimated to decline from \$6.2 billion in 1986 to \$1.7 billion in 1987.

General revenue sharing.—The general revenue sharing program was first enacted in 1972 to bring the resources raised by the then highly responsive Federal tax structure to bear on the needs of State and local governments, which had less flexible tax systems. The program was also intended to make State and local officials more responsive to local needs by giving them almost complete discretion in determining how the aid would be used.

In 1981 States were eliminated from the program as their capacity to raise revenue improved. Local governments utilized revenue sharing funds for basic services and they set a good example of government efficiency, using less than 1% for administration. However, in recent years, local governments have become less dependent on general revenue sharing due in part to improvements in the revenue-generating ability of local tax systems. While a few localities continue to rely heavily on general revenue sharing, the program accounted for less than 2.2% of total local government direct spending in 1984.

The Federal Government can no longer afford general revenue sharing. The administration proposes to rescind the final quarterly payment resulting from 1986 budget authority, which would be paid in 1987. Current authorization for the program expires at the end of 1986. This proposal is consistent with the improvements during the past decade in the ability of State and local governments to meet their own revenue needs. In an austere Federal budget, national priorities must be met first. Local priority needs that are appropriate for Federal financing can be achieved through block grants and other broad based support that provide flexible Federal funding in areas such as health, community development, and job training.

Outlays for the general revenue sharing program are estimated to be \$4.4 billion in 1986, which include the final quarterly payment from the 1985 program and three 1986 payments. No outlays are proposed for 1987 other than minor administrative expenses associated with program termination.

# NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

(Functional code 850; in millions of dollars)

Major missions and programs	1985 actual	1986 estimate	1987 estimate	1988 estimate	1989 estimate
BUDGET AUTHORITY					
General revenue sharing: General revenue sharing payments: Existing law	4,567	2,665			
Proposed legislation		760 7	6		
Subtotal, General revenue sharing	4,575	3,432	6		
Other general purpose fiscal assistance: Payments and loans to the District of Columbia Payments to States and counties from Forest Service receipts:	237	495	522	520	535
Existing lawProposed legislation	236	228	310 - 225	296 — 206	297 — 207
Payments to States from receipts under the Mineral Leasing Act	539	575	551	593	639
management activities Payments in lieu of taxes Payments to territories and Puerto Rico Other	148 103 478 8	19 100 392 7	59 105 408 7	71 132 417 7	86 132 421 7
Subtotal, Other general purpose fiscal assistance	1,747	1,815	1,737	1,828	1,909
Total, budget authority	6,322	5,248	1,742	1,828	1,909
OUTLAYS					
General revenue sharing: General revenue sharing payments: Existing lawProposed legislation		3,674 760			
Administration	8	7	5		
Subtotal, General revenue sharing	4,591	4,440	5		
Other general purpose fiscal assistance: Payments and loans to the District of Columbia Payments to States and counties from Forest Service receipts:	237	495	522	520	535
Existing lawProposed legislation	236	218	310 - 225	296 — 206	297 — 207
Payments to States from receipts under the Mineral Leasing Act	539	551	551	593	639
management activities Payments in lieu of taxes Payments to territories and Puerto Rico	146 103 494	30 100 394	57 105 406	70 132 417	85 132 421
Other	7	8	7	7_	7
Subtotal, Other general purpose fiscal assistance	1,762	1,795	1,733	1,827	1,908
Total, outlays	6,353	6,236	1,739	1,827	1,908

Other general purpose fiscal assistance.—Several other programs provide funds with minimal restrictions to states and localities. Outlays for these programs are estimated to be \$1.8 billion in 1986 and \$1.7 billion in 1987.

Payments and loans to the District of Columbia's operating budget is financed in part by annual payments from the Federal Government in recognition of the costs to the local government of the Federal presence. The administration requests \$522 million in budget authority for the District of Columbia in 1987, net of loan repayments from the District. This amount provides an additional inflation adjustment to make up for the freeze applied to the payment to the District of Columbia in 1986. Of the total amount, \$445 million is for the Federal payment to the district for general purposes, \$52 million is for the annual Federal contribution to the retirement funds for the District's police officers, firefighters, teachers, and judges (as required under pension reform legislation enacted in 1979) and the remaining funds are for St. Elizabeth's Hospital and Federal water and sewer payments.

Since 1983, the District of Columbia has successfully met its short-term cash management needs through the private market. In 1985, the District sold \$463 million in general obligation bonds. In anticipation of the District's continued success in the bond market, no loan authority has been requested for 1987.

The administration continues to support legislation to increase the District's contribution for civil service retirement beginning in 1987. The contribution would increase by an additional 2% of payroll each year until the District assumes the full cost of the retirement benefits. This change would eliminate the Federal subsidy for such benefits currently provided to the District government.

Other payments.—Some jurisdictions receive payments from the Federal Government based on a percentage of Federal receipts generated from timber sales, mineral leases, grazing permits, and other activities on Federal property.

Payments to States and counties from Forest receipts will return an estimated \$218 million in 1986 and \$85 million in 1987 to States for the benefit of counties in which national forests are located. The present system shares receipts even when timber sales lose money. The administration is proposing legislation that will allow the Federal Government to deduct the costs of managing the lands that generate these timber and mineral receipts before calculating the States' and counties' shares. Upon enactment, the States and counties will receive 25% of receipts net of Federal costs rather than 25% of gross receipts. It makes neither economic nor business sense to share gross receipts from operations that do not cover basic costs.

Payments to States from receipts under the Leasing Act are estimated to be \$551 million in both 1986 and 1987. The administration is proposing to deduct the Federal costs of obtaining Mineral Leasing Act receipts before calculating the States' shares.

#### CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

(In millions of dollars)

	Actual	Estimate					
	1985	1986	1987	1988	1989		
Direct loans:  Loans to the District of Columbia:  Change in outstandings	-311 1,572	-35 1,537	-38 1,498	41 1,457	- 43 1,414		
Guaranteed loans: Guarantees of New York City loans: Change in outstandings	-637 190	-190					

Payments to States and counties from Federal management activities are estimated to be \$30 million in 1986 and \$57 million in 1987 for shared revenues from oil and gas, coal, timber, and grazing activities on Bureau of Land Management lands. Of the 1986 payments, \$60 million are reflected as 1985 outlays due to Treasury making these payments on September 30, 1985, instead of October 1, 1985. The administration also proposes to deduct the costs of managing timber lands before sharing receipts.

Payments in lieu of taxes provide fees based on a formula to local governments for some Federal lands located within their jurisdictions. The administration proposes to continue this program at a level of \$105 million in outlays for 1987 compared to \$100 million in 1986.

Payments to territories and Puerto Rico reflect the payment of certain taxes by the Federal Government to the territories and Puerto Rico. These payments comprise annual advance payments of certain income tax withholding and excise tax collections involving Guam and the Virgin Islands, and excise tax withholding for Puerto Rico. Outlays are estimated to be \$394 million in 1986 and \$406 million in 1987.

Tax expenditures.—The Federal Government provides general purpose fiscal assistance through several tax provisions. Interest on State and local government debt is excluded from the taxable income of businesses, mainly commercial banks and casualty insurance companies, and individuals. As a result, State and local governments can borrow at lower interest rates than would be possible if such interest were taxable. In effect, the Federal Government subsidizes States and localities by paying part of their interest costs. Only the effect of excluding interest on general purpose obligations and revenue bonds for public purposes such as schools, sewers, and roads is included in this function. The exclusion of interest on tax-exempt bonds issued for private or quasi-public activities is covered in applicable budget functions, such as com-

merce and housing credit. The tax expenditure estimate for the exclusion of interest on general purpose State and local debt is \$9.2 billion in 1987.

The Federal Government also provides indirect assistance to States and localities by allowing individuals to deduct nonbusiness State and local taxes, primarily income and sales taxes, from income in calculating their Federal tax liability. The value of this assistance is estimated at \$25.2 billion in 1987; tax expenditures resulting from deductibility of taxes on owner-occupied homes are included in the commerce and housing credit function.

As a means of providing assistance to U.S. possessions, primarily Puerto Rico, the Federal Government permits a special tax credit for qualifying U.S. corporations doing business in the possessions. This tax credit, which effectively exempts earnings attributable to the possessions, results in an estimated tax expenditure of \$3.3 billion in 1987. Tax expenditures for general purpose fiscal assistance are an estimated \$37.7 billion in 1987.

Related programs.—In addition to general purpose fiscal assistance, the Federal Government provides States and localities with assistance through a variety of Federal grant-in-aid programs. These programs, which range from relatively narrow categorical programs to broader grant programs, are more restrictive than general purpose fiscal assistance, and are designed to meet other national needs and priorities. Therefore, they are not included as general purpose fiscal assistance, although they provide, when taken together, a large source—21% in 1985—of the financing of total State and local expenditures. Total grant-in-aid outlays to States and localities are estimated to decrease from \$108.8 billion in 1986 to \$99.0 billion in 1987.

Grants are discussed in more detail in Special Analysis H, "Federal Aid to State and Local Governments."

#### SELECTED LIMITATIONS THAT AFFECT TOTAL LEVEL OF OUTLAYS

(In billions of dollars)

	1985 enacted	1986 estimate	1987 estimate
Direct loan obligations  Program levels (other than loans)  Administrative expenses of trust funds	17.8	8.8 16.2 6.7	3.1 16.9 7.1
Total, selected limitations	40.6	31.7	27.1

#### FISCAL ACTIVITIES OUTSIDE THE FEDERAL BUDGET

The budget does not include some activities of the Federal Government that result in spending similar to budget outlays. These activities, nevertheless, channel economic resources toward particular uses in ways that are analogous to the effects of budget spending.

The total receipts and outlays of the Federal Government are composed of both on-budget receipts and outlays and off-budget receipts and outlays. The receipts and outlays of the off-budget Federal entities are a significant exclusion from the budget. Recent legislation made a major change in the budgetary classification of several activities by putting all of the previously off-budget Federal entities into the budget and moving social security off-budget. The first section below discusses the off-budget Federal entities.

This is followed by a discussion of fiscal activities that are outside the scope of budget outlays by their inherent nature. Taxation and tax expenditures have significant allocative effects on the economy that are analogous to budget outlays. Some types of regulation have economic effects that are similar to budget outlays by requiring the private sector to make expenditures for specified purposes such as safety and pollution control. Two other major fiscal activities not recorded in budgetary outlays are the outlays of the Government-sponsored enterprises, which are excluded from the budget because the enterprises are privately owned, and loan guarantees, which generally do not result in budget outlays except in the case of default. Government-sponsored enterprises and loan guarantees were discussed in this section in previous budgets but this year are discussed in Part 6c, "Federal Credit Budget," together with the other Federal credit activities.

Off-budget Federal entities.—The Federal Government has used the unified budget concept as the foundation for its budgetary analysis and presentation since the 1969 budget. This concept calls for the budget to include all of the Government's fiscal transactions with the public. Starting in 1971, however, various laws have been enacted under which several Federal entities have been removed from the budget or created outside the budget. Most recent-

ly, the Balanced Budget and Emergency Deficit Control Act of 1985 (the Gramm-Rudman-Hollings Act), enacted in December 1985, put all the previously off-budget Federal entities into the budget and moved social security off-budget.

The off-budget Federal entities are federally owned and controlled, but their transactions are excluded from the budget totals under provisions of law. When an entity is off-budget, its receipts, outlays, and surplus or deficit are not included in budget receipts, budget outlays, or the budget deficit; appropriations requests for its programs and other sources of its budget authority are not included in the totals of budget authority for the budget; and its outlays, receipts, and surplus or deficit ordinarily are not subject to the targets set by the congressional budget resolution. The off-budget deficit is, however, included in calculating the maximum deficit amounts set by the Balanced Budget and Emergency Deficit Control Act. Moreover, as shown in the table on page 6a-21, the surplus or deficit of the off-budget Federal entities is added to the budget deficit to derive the total Federal Government deficit, which is approximately the amount that the Federal Government has to finance by borrowing from the public. Also as shown in this table, the off-budget entities may hold a significant amount of Federal debt securities. This debt is part of the gross Federal debt, and almost all of it is subject to the statutory debt limitation.3 4

The first departure from the unified budget concept occurred in August 1971, when the Export-Import Bank was excluded by statute from the budget. Further departures followed in the next few years under various statutes. The Postal Service fund, the Rural Telephone Bank, the lending transactions that became the Rural Electrification and Telephone revolving fund, and the Housing for the Elderly or Handicapped fund were removed from the budget. The Federal Financing Bank, the U.S. Railway Association, and the Pension Benefit Guaranty Corporation were established off-budget. The Exchange Stabilization Fund had always been outside the unified budget, although it was initially classified as a deposit fund instead of an off-budget Federal entity.

The trend toward steadily increasing the number of off-budget Federal entities subsequently changed. The Export-Import Bank, the Housing for the Elderly or Handicapped fund, and the Pension Benefit Guaranty Corporation were put on-budget by statute in different years. The operations of the Exchange Stabilization Fund were put on-budget in a series of legislative and administrative actions. Most of the transactions of the U.S. Railway Association

<sup>&</sup>lt;sup>3</sup> Financial statements for the off-budget Federal entities are published in the chapter entitled "Department of Health and Human Services, Social Security," in the *Appendix, Budget of the United States Government, Fiscal Year 1987*, Part I.

<sup>&</sup>lt;sup>4</sup> The Board of Governors of the Federal Reserve System is a Federal organization. It is excluded from the budget, from this discussion, and from the legislative proposals and changes in law. Financial statements are published for information purposes in the *Appendix*, Part IV, "Government-Sponsored Enterprises."

were brought into the budget by legislation that required its purchases of Conrail securities to be included in the budget. On the other hand, two new off-budget Federal entities were established to carry out energy programs. The Synthetic Fuels Corporation was created outside of the budget in 1980, although all of its funding was provided in the on-budget totals of the Treasury Department. The cost of purchasing oil for the strategic petroleum reserve, but not the cost of construction and other activity, was put off-budget beginning in 1982.

Notwithstanding the exclusion of the off-budget entities from the budget, some of the outlays related to their operations were none-theless included in the budget totals. The budget totals included the funding of the Synthetic Fuels Corporation, certain expenses of the strategic petroleum reserve, the Federal payment to the Postal Service fund, the administrative expenses of the U.S. Railway Association, and the administrative expenses and appropriations to reimburse losses of the Rural Electrification Administration lending programs.

Moreover, while the budget authority and outlays of off-budget Federal entities were excluded from the budget totals, some of their activities were subject to other methods of Presidential and congressional review. In particular, the credit budget, discussed in Part 6c of this volume, included the direct loan obligations and guaranteed loan commitments of the off-budget entities as well as the on-budget agencies. In addition, the congressional budget resolutions for 1980 recommended that the congressional budget process should accurately relate off-budget activities to the budget. Following this procedural recommendation, the budget resolutions beginning in 1981 have contained targets for credit that included the obligations for new direct loans made by the off-budget Federal entities.

The Federal entities that were off-budget before this year primarily made direct loans to the public, and the Federal Financing Bank (FFB) accounted for most of the off-budget outlays. The FFB does not operate programs itself. Rather, the FFB finances other programs within the Government by making direct loans to the public on behalf of these programs, by purchasing their loan assets (i.e., loans that an agency has made to the public and for which repayment is still owed), or by purchasing their newly issued debt securities. FFB obtains the funds for these transactions by borrowing an equal amount from Treasury. The operation of the assisted programs remains with the agencies that FFB finances.<sup>5</sup>

In last year's budget the Administration proposed that the FFB and all the other off-budget Federal entities be placed on-budget.

<sup>&</sup>lt;sup>5</sup> The FFB is discussed in some detail in Special Analysis F, "Federal Credit Programs." See also Special Analysis E, "Borrowing and Debt."

The Administration had been especially concerned about the effects of off-budget direct loans in allocating credit toward specific uses and about the need to finance these loans by additional Federal borrowing from the public. Consistent with this proposal, the 1986 budget treated the entities that were off-budget under current law as though they were on-budget. Thus, the spending of these entities was reflected in both budget outlays and the budget deficit; and the budget authority for their programs was included in the totals of budget authority for the budget. The budget data for 1984 and all previous years were revised to include these entities, so that the year-to-year comparisons and historical series would be as accurate and consistent as possible.

The congressional budget resolution for 1986 followed this proposal by including these entities on-budget, and the Balanced Budget and Emergency Deficit Control Act of 1985 enacted the proposed change into law. The Federal Financing Bank and all the other Federal entities that had been off-budget were placed onbudget for all purposes of the Presidential budget and the congressional budget resolution. Consistent with the Administration's proposal, the Act requires that the outlays of the FFB be charged to the agencies that use the FFB to finance their programs, whereas under previous law they were treated as the outlays of the FFB itself. For example, when the FFB makes a loan to an electric utility on behalf of the Rural Electrification and Telephone revolving fund, the outlays are now charged to a separate account within the agency that includes the fund (the Department of Agriculture), rather than being charged to the FFB itself (and to the Treasury Department, which includes the FFB). The only outlays now charged to the FFB itself derive primarily from its net interest and administrative expense. Recording the outlays and budget authority in the agency and program that are responsible for the Government making the loan will improve the review and control of Federal outlays and credit by both the Congress and the executive branch. The total outlays of the entities that were formerly offbudget were \$9.1 billion in 1985.

The Balanced Budget and Emergency Deficit Control Act also changed the budgetary status of social security. The Social Security Amendments of 1983 had already provided that beginning in 1993 the old-age and survivors insurance trust fund (OASI), the disability insurance trust fund (DI), and the hospital insurance trust fund (HI) would be excluded from the budget. The Balanced Budget and Emergency Deficit Control Act provided that OASI and DI (but not HI) be off-budget as of 1986. Notwithstanding this provision, however, the Act also provided that the receipts and disbursements of OASI and DI shall be included in calculating the maximum deficit amount allowed under this Act and in calculating the excess deficit

#### COMPARISON OF TOTAL, ON-BUDGET, AND OFF-BUDGET TRANSACTIONS 1

(In billions of dollars)

		Receipts			Outlays			Surplus or deficit ( — )		
Fiscal year	Total	On- budget	Off- budget	Total	On- budget	Off- budget	Total	On-budget	Off- budget	
1970	192.8	159.3	33.5	195.6	168.0	27.6	<b>— 2.8</b>	_8.7	5.9	
1971	187.1	151.3	35.8	210.2	177.3	32.8	23.0	26.1	3.0	
1972	207.3	167.4	39.9	230.7	193.8	36.9	<b>— 23.4</b>	<b>— 26.4</b>	3.1	
1973	230.8	184.7	46.1	245.7	200.1	45.6	- 14.9	<b>— 15.4</b>	0.5	
1974	263.2	209.3	53.9	269.4	217.3	52.1	-6.1	<b>—8.0</b>	1.8	
1975	279.1	216.6	62.5	332.3	271.9	60.4	_ 53.2	_ 55.3	2.0	
1976	298.1	231.7	66.4	371.8	302.2	69.6	<b>—73.7</b>	<b>—70.5</b>	-3.2	
rQ	81.2	63.2	18.0	96.0	76.6	19.4	<b>— 14.7</b>	-13.3	-1.4	
1977	355.6	278.7	76.8	409.2	328.5	80.7	- 53.6	<b>— 49.7</b>	<b>— 3.9</b>	
1978	399.6	314.2	85.4	458.7	369.1	89.7	<b>— 59.2</b>	<b>— 54.9</b>	<b>—4.3</b>	
1979	463.3	365.3	98.0	503.5	403.5	100.0	<b>— 40.2</b>	-38.2	— 2.0	
1980	517.1	403.9	113.2	590.9	476.6	114.3	<b>– 73.8</b>	<b>—72.7</b>	-1.1	
1981	599.3	469.1	130.2	678.2	543.0	135.2	<b>—78.9</b>	<b>—73.9</b>	<b>—</b> 5.0	
1982	617.8	474.3	143.5	745.7	594.3	151.4	-127.9	-120.0	<b>— 7.9</b>	
1983	600.6	453.2	147.3	808.3	661.2	147.1	-207.8	-208.0	0.2	
1984	666.5	500.4	166.1	851.8	686.0	165.8	<b>— 185.3</b>	<b>—185.6</b>	0.3	
1985	734.1	547.9	186.2	946.3	769.5	176.8	-212.3	<b>— 221.6</b>	9.4	
1986 est	777.1	579.2	197.9	979.9	795.1	184.7	-202.8	-216.0	13.2	
1987 est	850.4	636.1	214.3	994.0	795.4	198.6	-143.6	-159.3	15.7	
1988 est	933.2	690.4	242.8	1,026.8	817.1	209.6	- 93.6	-126.8	33.2	
1989 est	996.1	732.5	263.7	1,063.6	843.8	219.9	<b>—67.5</b>	—111.3	43.8	
1990 est	1.058.1	771.9	286.1	1,093.8	862.1	231.8	<b>— 35.8</b>	-90.1	54.4	
1991 est	1.124.0	818.6	305.4	1,122.7	884.3	238.5	1.3	- 65.6	67.0	

<sup>&</sup>lt;sup>1</sup> The 1972-85 data have been revised to include in the budget totals the transactions of all the entities that were classified as off-budget in any of these years and, to the extent possible, the transactions of the Exchange Stabilization Fund before they were included in the budget.

for purposes of this Act. (The role of these particular deficit calculations is explained in Parts 2 and 6b of this volume.) In order to provide consistent comparisons over time, the budget data for 1985 and all previous years have been revised to exclude OASI and DI and to show them instead as off-budget Federal entities.<sup>6</sup>

The table above compares the total Federal Government receipts, outlays, and deficit with the amounts that are on-budget and off-budget (i.e., OASI and DI). In 1987 the off-budget receipts are an estimated 25.2% of total receipts, and the off-budget outlays are an estimated 20.0% of total outlays. The off-budget surplus of \$15.7 billion is significant relative to the on-budget deficit of \$159.3 billion. As shown in this table, off-budget receipts and outlays have grown more rapidly than the on-budget amounts since 1970 and are estimated to continue growing more rapidly through 1991. The off-budget entities in total had deficits during 1976–82, but because of the Social Security Amendments of 1983 and an improving econo-

<sup>&</sup>lt;sup>6</sup>The changes in budgetary accounting that were made when social security was shifted off-budget are explained in Special Analysis C, "Funds in the Budget."

my they have had surpluses beginning in 1983 and are estimated to have growing surpluses through 1991.

Taxation and tax expenditures.—Taxation provides the Government with receipts, which withdraw purchasing power from the private sector in order to finance direct Government expenditure. In addition to this effect, the structure of the tax system has important effects on the allocation of resources among private uses and the distribution of income among individuals. These effects are caused by the choice of taxes and by the structural characteristics of each of these different taxes—for example, by the rate schedules, exemptions, deductions, and exclusions of the individual income tax. The effects of taxation on resource allocation and income distribution are analogous to the effects of outlays.

Some features of the tax system have been defined as "tax expenditures" and receive special attention in the budget. Tax expenditures are defined as amounts attributable to provisions of the Federal income tax laws that allow a special exclusion, exemption, or deduction from gross income or that provide a special credit, a preferential rate of tax, or a deferral of tax liability. The Congressional Budget Act requires that estimates of tax expenditures be published in the budget.

Tax expenditures are so designated because they are one means by which the Federal Government pursues public policy objectives, and because in many cases they can be regarded as an alternative means of achieving the same objectives as direct expenditures. They can also be regarded as an alternative means of achieving the same objectives as other instruments of Government policy, such as loan guarantees, regulations, and provisions of the tax law other than those provisions that cause tax expenditures. There are numerous examples of the similarity in objective between tax expenditures and direct outlays. For instance, the cost of buying ships built in U.S. shipyards is reduced both by construction subsidies and by the deferral of tax on the shipping company income used to buy new ships; and the cost of borrowing by eligible persons and businesses is reduced both by direct loans at subsidized interest rates and by tax exemption for bonds. Similarly, State and local governments benefit both from direct grants and from the ability to borrow funds at tax-exempt rates; and individuals benefit both from social security payments and from the tax exemption of most of these payments.

Tax expenditures ordinarily result from permanent legislation. They therefore are not submitted to the Congress each year and do not routinely receive a formal and systematic annual review. In this sense they share a legislative status with entitlement programs, such as social security, which do not require annual appropriations. However, tax expenditures, other provisions of the

income tax, and other tax laws are generally reviewed whenever fiscal policy decisions are considered regarding the overall level of tax receipts. Many tax expenditures and other tax law provisions were changed in the revenue acts since 1981; and during the past year the Treasury Department and the Congress have comprehensively reviewed the income tax law including both its tax expenditures and its other provisions.

The classification of certain provisions of law as resulting in tax expenditures requires some baseline tax structure against which the actual tax law can be compared. Deviations of the law from this baseline are deemed to cause tax expenditures. The Congressional Budget Act does not provide an exact specification of the baseline against which tax expenditures are to be measured.

The baseline used in the budget is intended to consist of the general provisions of the Internal Revenue Code. For the individual income tax, the baseline in the budgets since 1983 has included those provisions that exist under current law for the definition of taxpaying units (including the separate corporation income tax), graduated rate schedules, personal exemptions, zero-bracket amounts (standard deductions), and basic accounting rules. The baseline before 1983 was similar, but in addition it required that the time pattern of depreciation deductions approximate the useful life of assets and that all cash transfers from government be included in calculating taxable income. By definition, characteristics of the tax structure included in the baseline do not give rise to tax expenditures.

The use of many of the general provisions of the Internal Revenue Code for defining both of these baseline tax structures makes it clear that listing an item as a tax expenditure does not imply that it is either a desirable or an undesirable provision. When different provisions of the Code are considered to be in the baseline, the list of tax expenditures is different and the amounts of particular tax expenditures may also be different. For example, in contrast with the baseline used in earlier years, the baseline used in the budgets since 1983 has considered the accelerated cost recovery system (ACRS) to be the general method for depreciating assets and therefore has included ACRS as part of the baseline; this baseline has also excluded public assistance payments from baseline income. Therefore, under this baseline, unlike the pre-1983 baseline, tax expenditures do not arise from either the use of ACRS or the exclusion of public assistance benefits from adjusted gross income. The present budget shows tax expenditures relative to both of these baselines.

These two baselines are not the only ones that might be used. In particular, a baseline tax structure might reflect a normative judgment about a truly comprehensive income tax base. A truly com-

prehensive income tax base, among other changes, would adjust incomes for the effects of inflation; would integrate the individual and corporation income taxes rather than regarding the separate tax treatment of individuals and corporations as part of the baseline tax structure; would include imputed income, such as the consumption benefits received from owner-occupied homes; and would tax income when it was accrued instead of when it was realized. Thus, for example, the failure under present law to tax imputed income would be regarded as giving rise to tax expenditures. On the other hand, the failure under present law to take account of inflation in measuring capital gains, depreciation, and interest income would be regarded as negative tax expenditures, since these deviations from the comprehensive baseline would raise the amount of taxes paid. Consequently, under such a baseline structure, the list of tax expenditures and their estimated amounts would be different from what they are now.

Some of the items listed as tax expenditures under one or both of the present baselines can be regarded to some degree as inexact but practicable adjustments to correct for departures of the baseline from a fully comprehensive tax base. For example, the exclusion of 60 percent of long-term capital gains from taxable income may be regarded as a method of adjusting for the overstatement of real income from capital gains during a period of inflation. Similarly, the use of more accelerated depreciation methods than economic life—which is a tax expenditure under the pre-1983 baseline—may be regarded as a means of offsetting the failure to adjust depreciation deductions for increases in the price level.

Regardless of how the baseline is defined, the provisions of the tax law that do not result in tax expenditures deserve as much scrutiny as the provisions of the tax law that do. This is because the other provisions also have major effects on the allocation of resources and the distribution of income, and because these other provisions may be alternative means of achieving the same objectives or analogous objectives as tax expenditures achieve. For example, investment in equipment may be stimulated by either an increase in the investment tax credit or a decrease in the corporation income tax rate; the former is a change in a tax expenditure, but the latter is not. Similarly, income support may be provided by either the exclusion of social security benefits from taxable income or by the zero-bracket amount (standard deduction); the former causes a tax expenditure, but the latter does not.

Tax expenditures are estimated in two steps. First, the revenue loss of a tax provision is estimated, i.e., the difference between tax receipts and the amount that tax receipts would be if the tax law conformed to a specified baseline. If removing a tax provision would increase taxable income, for example, the revenue loss is

estimated as the increase in taxable income multiplied by the tax rate that would be paid on the additional income.

The revenue loss is then adjusted to an outlay equivalent, i.e., the amount of outlays that would be required to provide an equal after-tax income to the taxpayer as the special tax provision provides (and thereby also to provide an equal incentive). In many cases the required outlays are greater than the revenue loss, because taxpayers would have to pay taxes on the higher income derived from the outlays. For example, one tax expenditure provision is the exclusion from taxable income of the value of housing and meals supplied to military personnel. If the Government were to repeal this tax exclusion and instead pay higher salaries, the increase in salaries would be taxed. Consequently, if the Government were to use taxable direct expenditures rather than tax expenditures and were to provide the same total after-tax compensation, the increase in direct outlays for higher salaries would have to be greater than the revenue loss under the special tax provision. The Federal deficit would be the same in either case, however, because higher outlays would be required only to the extent needed to make up the difference caused by higher tax receipts.

This adjustment makes the tax expenditures more comparable with direct outlays than the revenue loss would be and therefore more useful in analyzing Federal programs. For some tax expenditures, though, the revenue loss is equivalent to a direct outlay without any adjustment. Special Analysis G, "Tax Expenditures," presents estimates of tax expenditures defined both as outlay equivalents and as revenue losses, but for program analysis in this budget only the outlay equivalent estimates are used.

The size of a particular tax expenditure depends not only on the tax provision in question but also on the interaction of this provision with the rest of the tax structure. The reductions in the income tax rate schedule proposed by this Administration, for example, would automatically decrease many tax expenditures below what they otherwise would have been. A tax rate reduction decreases the amount of receipts that would be gained by repealing deductions, exemptions, and exclusions, because lower tax rates are applied to the increase in taxable income.

The interaction among tax provisions means that special calculations are generally needed to add tax expenditures together. For example, if more than one exclusion from individual income were ended, the gain in receipts would generally be greater than the sum of the separate tax expenditures, because some taxpayers would move into higher tax rate brackets. If more than one personal deduction were ended, the gain in receipts would generally be smaller than the sum of the separate tax expenditures, because some taxpayers would switch to using the zero-bracket amount

(standard deduction). Consequently, adding together separate tax expenditures would usually be misleading, and they are not aggregated in this budget except for specially computed totals by functional category.

Tax expenditures are presented at two places in the budget. Part 5, "Federal Programs by Function: Meeting National Needs," discusses the major tax expenditures in each functional category, together with outlays and guaranteed loans, in order to describe more fully the Government's policy. Special Analysis G, "Tax Expenditures," analyzes the concept and measurement of tax expenditures and presents a complete list of tax expenditure estimates for 1985–87. The discussion in Part 5 and the functional totals are based on the pre-1983 baseline.

The Administration has proposed a major plan to revise the Federal individual and corporation income taxes, which would abolish or reduce many tax expenditures, decrease income tax rates, and in other ways affect the allocation of economic resources and the distribution of income. In addition, as explained in Part 4 of this volume, "Federal Receipts by Source," the Administration is proposing a number of tax changes in the present budget. New tax expenditures would include a tuition tax credit for students at private elementary and secondary schools and education savings accounts for college and university expenses. Other proposed measures, such as repealing various exemptions from the gasoline and diesel fuel taxes, would change receipts but not tax expenditures.

Regulation.—Federal regulations provide a large variety of goods and services to the public, including the protection of the environment, the creation of incentives for the development of useful innovations, and the fair and efficient disbursement of Federal entitlements. These three types of regulatory activities are examples of the major categories of regulation; social, economic, and managerial. Social regulation generally establishes standards either for the characteristics of products or for the methods of producing products. Social regulations are usually aimed at curbing the unintended, harmful effects of products or production methods, such as pollution and accidents from industrial production or product use. Economic regulation directly controls prices and market entry in order to promote competition and curb monopolistic behavior. In the last ten years the scope of economic regulation at the Federal level has been significantly reduced as the harmful effects of regulating naturally competitive industries have become better understood.<sup>7</sup> Finally, managerial regulation sets the conditions for the efficient and proper use of Government funds and property and ranges from the terms for procurement of Government purchases to the Federal tax code.

Social regulation differs from the other Federal activities outside the budget—from loan guarantees and tax expenditures, in particular, and also from the other forms of regulation—by directly requiring expenditures for specific public purposes rather than inducing desired private action by offering various types of incentives. Nevertheless, social regulatory activities are directly analogous to budget outlays in two important ways.

First, the expenditures required by regulation have many of the same overall economic effects on output, employment, prices, and growth as do budget outlays. The Federal Government finances outlays by diverting resources from the private sector through taxation or borrowing. Similarly, business firms finance expenditures required by regulation (e.g., for pollution control) by borrowing, increasing prices, reducing other expenditures, or reducing dividends. These, of course, are the same ways firms finance taxes and thus have the same general effects on the economy as do many taxes. The incentive effects on working, investing, and saving may differ from income taxes, however, to the extent that tax liability is more directly tied to earnings, profits, and interest income than is regulation. Thus regulation may be closer to user fees and excise taxes in such impacts than to income taxes. In such instances social regulation can be considered a cost of production.

Second, the effects of social regulation on the allocation of economic resources are also similar to the effects of budget outlays. Most fundamentally, in both cases private resources are diverted to public purposes. Furthermore, in many cases expenditures required by regulation may be an alternative means of achieving the same public policy objectives as budget outlays or other instruments of Government policy such as taxes, tax expenditures, or loan guarantees. For example, firms can be required by regulation to treat their effluents before dumping. Alternatively, public waste water treatment facilities can be constructed by direct expenditure of the Federal Government; such facilities can be constructed by States and localities with assistance in the form of Federal outlays for grants; they can be constructed by private firms with assistance from Federal loan guarantees for their borrowing, Federal income tax exemption for the interest on their bonds, or rapid amortization of their capital costs for determining their Federal income tax; or the Federal Government could even charge firms an effluent fee sufficient to cause them to cut back on their dumping by the same

<sup>&</sup>lt;sup>7</sup> A brief history of this deregulatory effort is presented in chapter 5, "Reforming Regulation: Utilizing Market Incentives," of the *Economic Report of the President* (February 1986).

amount. The basic allocative effects are similar, although the efficiency of the method might differ from one policy instrument to another, and the implications for the distribution of income might also differ.

Perhaps the most basic procedural difference between budget outlays, loan guarantees, and tax expenditures on the one hand, and expenditures to meet social regulations on the other, is that no systematic accounting is kept of the latter. Some incomplete estimates of these expenditures have been made by adding up estimates of the costs of individual regulations made by various researchers, who often use different methods, assumptions, and time periods. Not surprisingly, these estimates show considerable variation. They range from about \$50 billion to \$150 billion per year in 1984 dollars, which is equal to about 6 to 18 percent of Federal outlays.

The Federal Government thus does not currently have any formal accounting of regulatory costs or any process analogous to the budget process for the purposes of reviewing and controlling regulatory costs, either in the aggregate or for individual programs. Nevertheless, new regulatory activities are now examined under a formal review process established by Executive Order 12291, issued in February 1981, and Executive Order 12498, issued in January 1985. Executive Order 12291 established regulatory principles and required each agency covered by the Order to adhere to them, to the extent permitted by law. Agencies must also submit drafts of proposed and final rules and drafts of regulatory impact analyses, before they are issued, to the Office of Management and Budget for review for consistency with the President's principles. According to these principles, agencies must:

- base regulations upon adequate information concerning the need for and consequences of the proposed action,
- not issue regulations unless the potential benefits to society outweigh the potential costs to society, and
- select the alternative approach to a given regulatory objective that involves the least net cost to society.

These policies are conducted within the statutory authorities of the agencies and apply only to the extent of the discretion given by the statutes to Federal regulatory officials.

Executive Order 12498 established that an annual regulatory progam would be developed and published each April in order to explain the Administration's regulatory plan and priorities for the upcoming year. Agencies are required to submit to the Office of Management and Budget a statement of the regulatory policies, goals, and objectives they intend to pursue during the coming year. This Executive Order also directs the agencies to provide summary descriptions of all significant regulatory actions underway or

planned for the coming year. The Office of Management and Budget is directed by the Executive Order to review each agency's draft regulatory program for consistency with the Administration's regulatory policies and priorities and with the regulatory programs submitted by other agencies. The first Regulatory Program of the United States Government was published August 8, 1985.

This program moves the regulatory oversight process a step closer toward the budgetary process, because the Administration's priorities and goals are now spelled out in one document for Congress and the American people to understand and review. This process, however, cannot deal systematically with the overall impact of regulatory activities on the economy until an estimate of the annual incremental expenditures required by regulation is made. This is extremely difficult because, unlike budgetary decisions, regulatory decisions are still to a large extent made on an individual basis.

In an effort to determine better the overall effects of regulatory activities and to improve the regulatory oversight process, members of Congress and the past two Administrations have considered developing an accounting framework to track expenditures directly required by regulation. This framework, however, is still in the proposal stage, and more work needs to be done to solve the practical accounting problems inherent in measuring private regulatory expenditures.

One practical problem is that in order to get accurate expenditure figures it might be necessary to ask private firms and individuals to keep records, which would create a considerable compliance burden. Second, estimating which expenditures were made because of a regulation compared to which would have occurred in the absence of regulation is often extremely subjective. For example, in the absence of regulations for automobile safety standards some level of safety would still be built into vehicles, but since the amount is unknown the additional cost of regulation cannot be calculated accurately. A third type of problem arises because the indirect costs of regulation are extremely difficult to estimate and probably are relatively more important for regulation than for spending and taxing.

Indirect costs result when regulation reduces otherwise desirable economic activities by raising production or product costs, by making the product less desirable, or, in the extreme, by banning the product or making it unprofitable to produce. The economic loss caused by this decline in economic activity is the excess of the value to consumers of this forgone output above the costs of production. Since this indirect cost is not directly measurable, and can only be estimated by complicated statistical models, it would be problematic to combine estimates of these indirect costs with the

direct costs of regulation. Yet measuring only the direct expenditure costs of regulation for use in an oversight program may create a bias toward banning substances and products rather than controlling them, since banning a product, service, or manufacturing process mainly gives rise to indirect costs. These practical problems, although important, do not appear to be intractable. They should be addressed, however, in developing an accounting system for measuring the aggregate impacts of regulation.

#### BUDGET FUNDS AND THE FEDERAL DEBT

The budget consists of two major groups of funds: Federal funds and trust funds. The Federal funds are derived mainly from tax receipts and borrowing and are used for the general purposes of the Government. Most of these funds are not restricted by law to any specific Government program. The trust funds, on the other hand, collect certain taxes and other receipts for specified purposes, such as paying social security and unemployment insurance benefits. The social security trust funds (old-age and survivors insurance and disability insurance) are now excluded from the budget by law and classified as off-budget Federal entities.

The budget includes the receipts and outlays of both the Federal funds and the on-budget trust funds and, as shown in the table on the next page, deducts the various transactions that occur between them in order to arrive at the on-budget totals for receipts, outlays, and the deficit. The on-budget totals plus the off-budget totals may be added, as shown in the table, to arrive at the total receipts, outlays, and deficit of the Federal Government. These latter totals for receipts and outlays therefore generally represent the net transactions of the Federal Government with the public.8

Thus, as shown in the subsequent table, the Federal deficit or surplus is the principal determinant of the change in the Federal debt held by the public. The Federal deficit, together with the other factors noted in this table, is estimated to increase the Federal debt held by the public by \$204.2 billion in 1986 and \$141.7 billion in 1987, with the amount of Federal debt held by the public being \$1,855.7 billion at the end of 1987. These borrowing projections, like the deficits on which they are based, are consistent with the economic assumptions that are explained in Part 2 of this volume.

Gross Federal debt is the sum of the debt held by the public and the debt held by the Government itself, which includes such invest-

<sup>&</sup>lt;sup>8</sup> Special Analysis C, "Funds in the Budget," discusses further the two major groups of funds and the off-budget Federal entities.

<sup>&</sup>lt;sup>9</sup> Table 6 in Part 6e of this volume contains more detail on budget financing through 1991 and shows the levels of debt from 1985 to 1991. Federal borrowing and debt are discussed extensively in Special Analysis E, "Borrowing and Debt." Historical data since 1940 are published in Historical Tables, Budget of the United States Government, Fiscal Year 1987.

#### SUMMARY OF REASONS FOR THE DIFFERENCE IN THE 1985 DEFICIT

(In billions of dollars)

	On-budget	Off-budget	Total
February 1984 estimate of surplus or deficit( — )	_ 197.1	2.0	<b>— 195.2</b>
Changes:			
Policy:			
Receipts	. 2.5	-0.9	1.6
Outlays		-0.1	<b>— 13.9</b>
Subtotal, policy	_11.3	-1.0	-12.4
Economic conditions:			
Receipts	-13.3	-0.4	<b>—13.7</b>
Outlays		0.9	0.8
Subtotal, economic conditions	_13.4	0.5	-12.9
Estimating and other differences:		0.0	12.0
Receipts	. 1.3	0.3	1.0
Outlays		8.2	7.1
Subtotal, estimating and other differences	. 0.2	7.9	8.1
Total, changes	_24.5	7.4	-17.1
,			
Actual surplus or deficit( — )	-221.6	9.4	-212.3
MEMORANDUM			
Total change in receipts	_ 9.5	-1.6	-11.1
Total change in outlays	_15.0	+9.0	-6.0

Note: Receipt increases and outlay decreases are shown as positive because they lower the deficit.

The actual deficit was above the initial estimate due to both lower receipts and higher outlays. Changes in economic conditions account for a \$12.9 billion increase. Receipts were decreased due to lower than anticipated growth and oil prices. Outlays were decreased due to lower than forecast unemployment and inflation. This decrease was in part offset by higher interest payments as a result of higher than anticipated interest rates. Policy changes, both revised Administration proposals and congressional action that differed from the Administration's original proposals, increased the deficit by \$12.4 billion. Technical reestimates, which increased receipts and decreased outlays, offset some of the effects of policy and economic conditions by decreasing the deficit by \$8.1 billion.

# COMPARISON OF THE ACTUAL AND ESTIMATED RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1985

Outlays in any one year are considered to be relatively uncontrollable when the program level is determined by existing statutes or by contracts or other obligations. Outlays for these programs generally depend on factors that are beyond administrative control under existing law at the start of the fiscal year. For example, the definition of beneficiaries eligible for programs like medicaid and

civil service retirement is established by law. Prior-year contracts and obligations are also legally binding.

Relatively uncontrollable outlays are grouped into two major categories: open-ended programs and fixed costs, for which outlays are generally mandated by law; and payments from prior-year contracts and obligations, for which outlays are required because of previous action, such as entering into contracts. Estimates of relatively uncontrollable outlays do not include the effects of proposed legislation.

A number of factors may cause differences between the amounts estimated in the budget and the actual outlays. For example, legislation may change benefit rates or coverage; the actual number of beneficiaries may differ from the number estimated; and economic conditions (such as interest rates) may differ from what was assumed in making the estimates.

The following table shows the differences between actual outlays for relatively uncontrollable programs in 1985 and the amounts estimated in the 1985 budget. The list of programs is the same as in Table 16 (Controllability of Outlays) in Part 6e. Actual outlays for relatively uncontrollable programs in 1985 were \$689.5 billion, which is \$1.2 billion or 0.2% higher than the estimate based on existing law in February 1984. Outlays for open-ended programs and fixed costs were \$10.0 billion above the initial estimate (adjusted for comparable coverage), while outlays from prior-year contracts and obligations were \$8.9 billion lower.

Payments for individuals, which are essentially income transfers, were 72.2% of all open-ended programs and fixed costs in 1985. Actual outlays for this grouping were \$12.5 billion lower than originally estimated. This decrease was the net effect of legislative action, differences between actual and assumed economic conditions, differences between the anticipated and actual number of beneficiaries, and other technical adjustments.

Outlays for social security and railroad retirement, the largest category of payments for individuals, were \$3.7 billion lower than estimated. Outlays for these programs were lower primarily because of fewer beneficiaries and lower retroactive benefit payments. Outlays also decreased because lower than anticipated inflation reduced the size of the cost-of-living adjustment.

Outlays for Federal employees' retirement and disability insurance programs were \$1.9 billion below the budget estimate. These programs consist of military retired pay, civilian employee retirement and disability, and veterans service-connected compensation. Except for the latter, these benefits are automatically indexed to the consumer price index. Outlays for the indexed programs were below the initial estimates by \$2.3 billion primarily due to a shift in the final month's benefit payments for military retirement into

#### **RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1985**

(In billions of dollars)

Relatively uncontrollable under present law	February 1984 estimate (existing law)	Actual	Change
Open-ended programs and fixed costs:			
Payments for individuals:			
Social security and railroad retirement	193.6	189.9	-3.7
On-budget	(3.5)	(3.5)	(*)
Off-budget		(186.4)	(-3.7)
Federal employees' retirement and insurance		49.8	-1.9
(Military retired pay)	(17.6)	(15.8)	(-1.8)
(Other)	(34.1)	(34.0)	(-0.1)
Unemployment compensation		16.1	-2.4
Medical care	97.0	91.0	-6.0
Assistance to students	4.2	4.9	0.6
Food and nutrition assistance		3.7	*
Public assistance and related programs	21.3	22.2	0.9
Other	3.0	2.8	-0.1
Subtotal, payments for individuals	393.0	380.5	<b>— 12.5</b>
Other open-ended programs and fixed costs:			
Net interest	116.1	129.4	13.3
On-budget		(133.6)	(14.5)
Off-budget		(-4.1)	(-1.1)
General revenue sharing		4.6	*
Farm price supports (CCC)	10.9	17.7	6.8
Other		-5.0	2.4
Subtotal, other open-ended programs and fixed costs		146.7	22.5
Total, open-ended programs and fixed costs	517.3	527.3	10.0
Outland from prior year contrasts and abligations			
Outlays from prior-year contracts and obligations:	97.4	92.1	-5.3
National defense		70.1	- 3.5 - 3.5
Civilian programs <sup>1</sup>	/3.6	70.1	- 3.3
Total, outlays from prior-year contracts			
and obligations	171.0	162.2	-8.9
Tetal relatively upgentralleble autleue	688.3	689.5	1.2
Total, relatively uncontrollable outlays		505.1	3.9
On-budgetOff-budget		184.3	-2.8
VII-DUUYEI	10/.1	104.3	- 2.0

<sup>\*\$50</sup> million or less.

the next year, lower inflation, and a permanent shift in the effective date of the civil service retirement cost-of-living adjustment from June to January. Outlays for veterans' compensation were \$0.4 billion above the original estimate due to the net effect of a decline in caseload and a congressionally enacted cost-of-living adjustment.

Outlays for unemployment compensation programs were \$2.4 billion below the initial estimate. This decrease was the result of a lower than forecast rate of unemployment.

<sup>&</sup>lt;sup>1</sup> The February 1984 estimate was adjusted to include outlays from prior year contracts and obligations in accounts that were off-budget at the time. Because the data on the original estimate were not available, it was assumed that the actual expenditure was correctly estimated.

Outlays for medical care were \$6.0 billion lower than estimated. Medicare outlays were \$5.4 billion below the initial estimate as a result of lower than expected hospital admissions, lower medical price increases than anticipated, and delays in submitting bills for payment. Outlays for the medicaid program were \$0.6 billion below the initial estimate.

Assistance to students consists of GI bill benefits and the guaranteed student loan program. Outlays for the guaranteed student loan program were \$0.6 billion above the estimate primarily due to higher defaults and loan volume.

Food and nutrition assistance includes the child nutrition and special milk programs. Outlays for these programs were not significantly different than originally estimated.

Public assistance and related programs include public assistance payments, supplemental security income, outlays for earned income tax credits, and veterans non-service-connected pensions. Outlays for these programs were \$0.9 billion above the estimate. Most of this change was in the assistance payments program and was a result of delayed error liability collections from States, and higher than estimated State caseload and average benefits levels.

Relatively uncontrollable outlays for all other payments to individuals were \$0.1 billion lower than estimated, due primarily to decreases in black lung benefits and national service life insurance payments.

Open-ended programs and fixed costs other than payments for individuals were 27.8% of all open-ended programs and fixed costs in 1985. Outlays for net interest were \$13.3 billion or 11.5% higher than the original estimate. This increase is the net effect of higher than anticipated interest rates and more Federal borrowing than expected. The budget estimate assumed a 9.4% interest rate on 10-year Treasury notes for fiscal year 1985 whereas the actual rate averaged 11.1%.

Outlays for farm price supports (Commodity Credit Corporation) were \$6.8 billion above the initial estimate. This was due to higher production, particularly for corn, and increased farmer participation.

Outlays for prior-year contracts and obligations for civilian and national defense programs were \$8.9 billion below the initial estimate. National defense outlays were below the estimate because of slower than anticipated spending. Outlays for civilian programs were also lower than the initial estimate.

### ALLOCATION OF WINDFALL PROFIT TAX RECEIPTS

Section 102 of the Crude Oil Windfall Profit Tax Act of 1980 requires that each year the President propose the allocation of net receipts from the tax in his budget.

This act establishes a Windfall Profit Tax Account in the Treasury "for accounting purposes only." After the Secretary of the Treasury has determined the amount of net receipts from the tax, they are to be allocated to the Windfall Profit Tax Account. Since the Conference Report accompanying the act stated explicitly that the net receipts from the tax "shall not be earmarked or invested separately from general revenues . . . ", the allocations referred to in section 102 cannot be interpreted as earmarking funds for specific purposes.

The method for these allocations is prescribed by three formulas in subsections b(1), b(2), and b(3) of section 102. The allocations for 1987 are compared in the following table with the amounts included in this budget for the functional categories referred to in the formula.

### ALLOCATION OF WINDFALL PROFIT TAX, NET RECEIPTS, 1987

(In millions of dollars)

	Section 102 Formula	1987 Budget
Total net receipts	2,761	2,761
Low-income assistance	690	1 23,280
Energy and transportation programs	414	<sup>2</sup> 21,268
Income tax reductions	1,657	
Total	2,761	44,548

<sup>&</sup>lt;sup>1</sup> This amount is the total outlays for the other income security subfunction (609).
<sup>2</sup> This amount is the total outlays for all programs in the energy function (270) and the ground transportation subfunction (401).

# PART 6d

# BUDGET BY AGENCY AND ACCOUNT

#### **EXPLANATORY NOTE**

This tabulation contains information on budget authority (BA), outlays (O), and subfunctional code number(s) for each appropriation and fund account. The budget authority in this tabulation takes account of certain transfers between appropriations. All budget authority items are definite appropriations except where otherwise indicated. Types of funds in the budget and the deduct entries at the end of each chapter of this tabulation are explained in Part 6b.

In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), formerly off-budget entities are presented on-budget. Budget authority and outlays of the Federal Financing Bank (FFB) are shown as separate accounts under the agencies that use the FFB to finance their programs. Operating expenses of the FFB are included under the Treasury Department.

Public Law 99-177 also moved two social security trust funds (the Federal old-age survivors insurance and Federal disability insurance trust funds) off-budget. Budget authority and outlays of the trust funds are identified under a chapter entitled, "Department of Health and Human Services, Social Security", immediately following the chapter with all other amounts for that department. The end of the tabulation presents on- and off-budget amounts separately before presenting totals for the Federal Government, including off-budget amounts.

The effects of the sequestration of 1986 budgetary resources required by Public Law 99-177 are shown separately and footnoted (footnote W).

Congressional action in the appropriation process occasionally takes the form of a limitation on the use of a trust fund or other fund, or of an appropriation to liquidate contract authority. Amounts for such items, which do not affect budget authority, are included here in parentheses and identified in the stub column, but are not included in the totals. Special limitations established as part of the sequestration process for 1986 under Public Law 99–177 are so identified in the stub column.

THE FEDERAL PROGRAM	BY A	GENCY ANI	D ACCOUN'	г 6d-37
BUDGET BY AGENCY AND ACCOUNT	Γ (in	thousands of	dollars)—C	ontinued
Account and functional code		1985 actual	1986 estimate	1987 estimate
Funds Appropriated 1	to the	President—	Con.	
Summary—Con.				
153	2 BA	<i>—71.488</i>	<i>-67,900</i>	-69.80
	0	-71,400	-07,500	-03,000
90	8 BA 0	<i>— 479,856</i>	— <i>479,232</i> ————	— 751,29s
Total Federal funds	ВА	17,601,692	13,299,870	14,347,30
	0	11,905,462	12,766,067	13,997,607
Trust funds:			1	
(As shown in detail above)	ВА	12,517,263	12,815,626	12,615,63
· ·	0	9,799,760	10,515,575	11,115,58
Deductions for offsetting receipts:				
Proprietary receipts from the public 15:		<i>-6,147</i>	<i>—15,000</i>	<b>— 15,00</b> 0
15:	0 5 BA		,	
13.	0	<i>-9,649,190</i>	— <i>10,800,000</i>	—11,300,000
Total Trust funds	BA	<b>2,861,926</b> 144,423	<b>2,000,626</b> — 299,425	1,300,635 —199,415
Total Funda Appropriated to the Descident	. BA			
Total Funds Appropriated to the President	0	<b>20,463,618</b> 12,049,885	1 <b>5,300,496</b> 12,466,642	15,647,940 13,798,192
Department	of Ag	riculture		
Office of the Secretary				
Federal funds				
General and Special Funds:				
Office of the Secretary 352	2			
Appropriation, current	. BA	5,345	5,758 ** — 248	5,538
Outlays	. 0	5,186	5,758 ** — 239	5,538 **9
				5,538
Total Office of the Secretary	. BA	5,345	5,510	3,301
Total Office of the Secretary	. BA 0	<b>5,345</b> 5,186	5,519	
Total Office of the Secretary  Trust funds				
,	0			
Trust funds	0			5,529

# BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricu	lture—Con.		
Departmental Administration				
Federal funds				
General and Special Funds:				
Departmental administration 352				
Appropriation, current	BA	19,044	19,174 ** — 824	21,920
Outlavs	0	12,389	19,174	21,920
04.0/0	•		₩ — 732	₩ — 92
Total Departmental administration	BA	19,044	18,350	21,920
	0	12,389	18,442	21,828
Rental payments and building operations 352				
Appropriation, current	BA	66,894	68,706	76,180
Outlays	0	70,009	<sup>w</sup> — <b>3,046</b> 68,237	76,180
Outlays	U	70,003	w = 2,852	₩ — 194
Total Rental payments and building operations	ВА	66,894	65.660	76,180
,	0	70,009	65,385	75,986
Advisory committees 352				
Appropriation, current	BA	1,385	1,315 ** — 57	1,323
Outlavs	0	1,072	1,315	1,323
	-		w — 28	w — 29
Total Advisory committees	BA	1,385	1,258	1,323
	0	1,072	1,287	1,294
Intragovernmental Funds:				
Working capital fund 352				
Appropriation, current	BA	6,000 5,401	<b>5,964</b> 5,964	6,000
Outlays	0	5.401		6,000
Total Federal funds Departmental Administration.	BA	93,323 88,871	<b>91,232</b> 91,078	1 <b>05,42</b> 3 105,108
	0		=======================================	103,100
Office of Governmental and Public Affairs				
Federal funds				
General and Special Funds:				
Office of Governmental and Public Affairs 352	BA	7,657	7,673	8,570
Appropriation, current	DA	7,037	w — 330	0,370
Outlays	0	7,746	7,673	8,570
			<u>w</u> - 261	<u></u>
Total Office of Governmental and Public Affairs	BA	7,657	7,343	8,570
	0	7,746	7,412	8,501

# BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of	Agricul	ture—Con.		
Office of the Inspector General				
Federal funds				
General and Special Funds:				
Office of the Inspector General 35	2			
Appropriation, current	BA	46,321	46,495	46,32
0.11		40.077	₩ — 1,999	40.00
Outlays	0	42,077	45,853	46,32 ** — 28
			$\frac{w-1,711}{}$	- 20
Total Office of the Inspector General		46,321	44,496	46,32
	0	42,077	44,142	46,03
Office of the General Counsel				
Federal funds				
General and Special Funds:				
Office of the General Counsel 35	2			
Appropriation, current	BA	15,903	15,773	17,43
			₩ 678	
Outlays	0	16,158	15,773	17,43
			₩ — 672	w
Total Office of the General Counsel		15,903	15,095	17,43
	0	16,158	15,101	17,42
Agricultural Research Service				
Federal funds				
General and Special Funds:				
Agricultural Research Service 35	2			
Appropriation, current	BA	490,106	499,866	513,0
			<sup>w</sup> 21,494	
Appropriation, permanent		2,800	402.162	E12 C
Outlays	0	487,333	492,162 * 17,254	513,63 w 4,33
			<del></del>	
Total Agricultural Research Service		492,906	478,372	513,0
	0	487,333	474,908	509,3
Buildings and facilities 35	2			
Appropriation, current	BA	22,350	6,312	
0.44	0	0.000	₩ 271	20.7
Outlays	0	6,389	17,696 ** — 47	38,7 ₩ —2
				-2.
Total Buildings and facilities		22,350	6,041	
	0	6,389	17,649	38,5

BUDGET BY	AGENCY	AND	ACCOUNT	(in	thousands	of	dollars)—Continued
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Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricul	ture—Con.		
Agricultural Research Service—Con.				
Trust funds				
Miscellaneous contributed funds 352 Appropriation, permanent, indefinite Outlays	BA O	<b>1,509</b> 1,978	<b>2,000</b> 2,000	<b>2,000</b> 2,000
Total Federal funds Agricultural Research Service	BA O	<b>515,256</b> 493,722	<b>484,413</b> 492,557	<b>513,053</b> 547,840
Total Trust funds Agricultural Research Service	BA O	1,509 1,978	<b>2,000</b> 2,000	<b>2,000</b> 2,000
Cooperative State Research Service Federal funds				
General and Special Funds:				
Cooperative State Research Service 352 Appropriation, current	ВА	304,316	288,680 * 12,534	246,356
Appropriation, permanent Outlays	BA O	243,624	2,800 287,025 * — 8,110	253,695 * — 4,424
Total Cooperative State Research Service	BA 0	<b>304,316</b> 243,624	<b>278,946</b> 278,915	<b>246,356</b> 249,271
Extension Service				
Federal funds				
General and Special Funds:  Extension Service 352  Appropriation, current	ВА	343,727	342,747	140,000
Outlays	0	338,037	<ul> <li>* - 14,738</li> <li>342,915</li> <li>* - 11,658</li> </ul>	182,361 ** — 3,107
Total Extension Service	BA O	<b>343,727</b> 338,037	<b>328,009</b> 331,257	140,000 179,254
National Agricultural Library				
Federal funds				
General and Special Funds: National Agricultural Library 352	BA	11,464	11,272	11,421
Appropriation, current			<sup>w</sup> —485	
Outlays	0	10,389	11,172 ————————————————————————————————————	11,300 ———————————————————————————————————
Total National Agricultural Library	BA O	11,4 <b>64</b> 10,389	10,787 10,821	11,421 11,166

See footnotes at end of table.

BUDGET	BY	<b>AGENCY</b>	AND	ACCOUNT	(in	thousands	of	dollars)—Continued
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Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of	Agricul	ture—Con.		
Statistical Reporting Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 35	52			
Appropriation, current	BA	58,287	58,725	59,712
0.11	•	50 505	<sup>₩</sup> 2,525	50.570
Outlays	0	56,525	58,664 ** — 2,101	59,573 ** — 470
Total Salaries and expenses	BA	58,287	56,200	59,712
	0	56,525	56,563	59,103
Trust funds				
Miscellaneous contributed funds 35	2			
Appropriation, permanent, indefinite		209	160	160
Outlays	0	228	160	160
Economic Research Service				
Federal funds				
eneral and Special Funds:				
Salaries and expenses 35	2			
Appropriation, current	BA	46,602	46,097 ** 1,982	45,475
Reappropriation	BA	545		
Outlays		45,107	46,682	45,680
			w −1,666	w - 316
Total Salaries and expenses		47,147	44,115	45,475
	0	45,107	45,016	45,364
Trust funds				
Miscellaneous contributed funds 35	2			
Appropriation, permanent, indefinite	BA	28		
Outlays	0	29	25	
World Agricultural Outlook Board				
Federal funds				
General and Special Funds:				
World agricultural outlook board 35	_			
Appropriation, current	BA	1,676	1,670 ₩ 72	1,680
Outlays	0	1,608	1,664	1.674
outlays	0	1,000	w — 55	w - 17
Total World agricultural outlook board	BA	1,676	1,598	1,680
ŭ	0	1,608	1,609	1,657

BUDGET BY AC	GENCY AND	ACCOUNT	(in	thousands	of	dollars)—Continued
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Account and functional code		1985 actual	1986 estimate	1987 estimate			
Department of Agriculture—Con.							
Foreign Agricultural Service							
Federal funds							
General and Special Funds:							
Foreign Agricultural Service 352							
Appropriation, current	BA	83,622	83,046 ** — 3,571	71,882			
Outlays	0	76,265	83,242	71,88			
,			₩ — 1,969	w — 1,602			
Total Foreign Agricultural Service	BA	83,622	79,475	71,882			
3 3	0	76,265	81,273	70,28			
Salaries and expenses (special foreign currency pro-							
gram) 352							
Outlays	0		74	***************************************			
Total Federal funds Foreign Agricultural Service	BA	83,622	79,475	71,882			
	0	76,265	81,347	70,28			
Office of International Cooperation and							
Development							
Federal funds							
General and Special Funds:							
Salaries and expenses 352	D.A	5 020	5 204	2.05			
Appropriation, current	BA	5,038	5,384 ** — 232	3,05			
Outlays	0	11,586	5,276	3,02			
			₩ — 255	w			
Total Salaries and expenses	BA	5,038	5,152	3,05			
	0	11,586	5,021	3,01			
Scientific activities overseas (foreign currency pro-							
gram) 352							
Appropriation, current	BA	5,000	2,982				
0.41	^	4 2 4 0	w 128	5 20			
Outlays	0	4,348	6,674 ** 64	5,20 ** 6			
Total Scientific activities overseas (foreign cur-	D.A	5.000	2,854				
rency program)	BA O	4,348	6,610	5,14			
Trust funds							
Miscellaneous contributed funds 352							
Appropriation, permanent, indefinite	BA	4,789	3,257	3,35			
Outlays	0	3,582	3,257	3,35			
Total Federal funds Office of International Coop-							
eration and Development	BA	10,038	8,006	3,05			
	0	15,934	11,631	8,15			
Total Trust funds Office of International Coop-							
eration and Development	BA	4,789	3,257	3,35			
	0	3,582	3,257	3,35			

See footnotes at end of table.

# BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricu	Iture—Con.		
Foreign Assistance Programs				-
Federal funds				
General and Special Funds:				
Expenses, Public Law 480, foreign assistance pro-				
grams, Agriculture 151 Appropriation, current	ВА	1,964,000	1,299,158	1,164,400
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	٠,٠	2,001,000	<sup>₩</sup> — 55,864	2,20 .,
Outlays	0	1,715,100	1,438,931	1,164,400
Limitation on program level (obligations) (P.L. 99-			w = 65,738	-6,502
177)			(1,680,000)	
Limitadina and diseat langet limitadina (D.L. 00.177)			$^{W}(-72,240)$	
Limitation on direct loan obligations (P.L. 99-177).		***************************************	(946,700) w ( 40,708)	••••••
Total Common Dublin Law 400 femine conist			( 10,700)	
Total Expenses, Public Law 480, foreign assistance programs, Agriculture	BA	1,964,000	1,243,294	1,164,400
and programs, righter and an arminimum.	0	1,715,100	1,373,193	1,157,898
			<del></del>	
Agricultural Stabilization and Conservation Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 351 Appropriation, current	ВА	50,556	198	
Outlays	0	70,836	21,216	3,797
		,	w = 1,473	-,
Total Salaries and expenses	BA	50,556	198	
•	0	70,836	19,743	3,797
Rural clean water program 304				
Outlays	0	6,660	9,000	8,000
Agricultural conservation program 302 Appropriation, current	ВА	190,000	188,860	
Appropriation, current	DA	190,000	$^{H}$ — 140,839	••••••
			$^{W}$ — 8,121	
Outlays	0	181,757	206,000 # — 43,377	124,000 # — 80,452
			w — 2,623	w — 4,548
Total Agricultural conservation program	ВА	100 000	39,900	
Total Agricultural conservation program	0	1 <b>90,000</b> 181,757	160,000	39,000
Water Bank program 302				
Water Bank program 302 Appropriation, current	BA	8,800	8.747	
· FF· F·····		,	$^{H}$ — 8,371	
Outlave	0	0 926	<sup>w</sup> − <b>376</b> 10.000	8 300
Outlays	U	9,836	$^{H}-1.044$	8,300 # —862
			w - 56	w — 38
Total Water Bank program	ВА	8,800		
	0	9,836	8,900	7,400

See footnotes at end of table.

#### BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued Account and functional code estimale estimale Department of Agriculture-Con. Agricultural Stabilization and Conservation Service—Con. Emergency conservation program 10,000 2,310 Outlays..... 11,415 Dairy indemnity program 351 100 99 $^{H}-95$ w -4 Outlays ...... 0 116 33 $^{H} - 95$ Total Dairy indemnity program..... BA 100 33 17 Forestry incentives program 302 12,500 12,425 Appropriation, current...... BA w - 53413,600 7,800 12,478 w - 206w = 17612,500 Total Forestry incentives program..... 11,891 7,624 12,478 13,394 Total Federal funds Agricultural Stabilization and 261,956 51,989 Conservation Service..... 293,015 221,054 68,131 Federal Crop Insurance Corporation Federal funds General and Special Funds: Administrative and operating expenses 200,502 219,026 239,885 Appropriation, current..... <sup>J</sup> — 114,859 w - 9,418 Outlays...... 0 203,691 219,026 239,885 -114,859

w = 3,915

125,026

121,111

w = 5,503

209,608

213,523

200,502

203,691

Total Administrative and operating expenses ......

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricu	Iture—Con.		
Federal Crop Insurance Corporation—Con.				
Public Enterprise Funds:				
Federal Crop Insurance Corporation fund 351				
Appropriation, current	BA	160,000	134,190	135,743 - 20.696
Authority to borrow, current	ВА	113,000		- 20,030
Outlays	0	301,926	343,262	134,000
outray of the second of the se	Ū	301,023	0.10,202	<sup>1</sup> — 18,953
Total Federal Crop Insurance Corporation fund	ВА	273,000	134,190	115,047
Total Teachar Grop Insurance Corporation Tana	0	301,926	343,262	115,047
71151-16 1-51-10-1				
Total Federal funds Federal Crop Insurance Cor- poration	ВА	473,502	343,798	240,073
poration	0	505,617	556,785	236,158
	_			
Commodity Credit Corporation				
Federal funds				
Public Enterprise Funds:				
Commodity Credit Corporation Fund 351				
Appropriation, permanent, indefinite	BA	131,959	109,365	118,63
Authority to borrow, current	BA			<sup>J</sup> — 139,786
1- dof:-!ha	DA		<sup>₩</sup> —823,126 <sup>A</sup> 71,598	
Indefinite	BA BA	11,448,956	17,078,774	15,536,817
Contract authority, permanent, indefinite	BA	3,611,098	5,210,193	13,330,017
Liquidation of contract authority, current	571			(98,394)
Outlays	0	17,683,196	20,690,794	16,735,017
			<sup>4</sup> 71,598	
			w — 413.873	y = 139,786 $w = 409,253$
Limitation on administrative expenses and direct			413,073	403,230
loans			(6,089)	(6,089)
			<sup>4</sup> (71,598)	, , ,
			w (-262)	
Limitation on direct loan obligations (P.L. 99-177).			(15,000,000) ** ( — 573,835)	•••••
Limitation on guaranteed loan commitments (P.L.			(-3/3,033)	
99-177)			(5,500,000)	
,			w(-236,500)	
Total Commodity Credit Corporation Fund	ВА	15,192,013	21,646,804	15,515,666
total commonty credit corporation fund	0	17,683,196	20,348,519	16,185,978

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricul	ture—Con.		
Commodity Credit Corporation—Con.				
General and Special Funds: Temporary emergency food assistance program				
Appropriation, current	BA	57,000	49,700	
Outlays	0	49,796	<sup>w</sup> − <b>2,137</b> 51,734 <sup>w</sup> − 1,464	15,654 ** 673
Total Temporary emergency food assistance pro-				
gram	BA O	<b>57,000</b> 49,796	<b>47,563</b> 50,270	14,98
Total Federal funds Commodity Credit Corpora-	ВА	15,249,013	21,694,367	15,515,660
	0	17,732,992	20,398,789	16,200,95
Office of Rural Development Policy  Federal funds				
eneral and Special Funds: Salaries and expenses 452				
Appropriation, current	BA BA	2,136 209	407	
Outlays	0	1,612	1,169	
Total Salaries and expenses	BA O	2,345 1,612	407 1,169	
Rural Electrification Administration				
Federal funds General and Special Funds:				
Salaries and expenses 271 Appropriation, current	BA	30,664	30,804	26,35 , —21,75
Outlays	0	27,404	<sup>w</sup> −1 <b>,325</b> 31,614	26,51
			<u>w</u> −1,230	<sup>3</sup> — 20,03
Total Salaries and expenses	BA O	<b>30,664</b> 27,404	<b>29,479</b> 30,384	<b>4,60</b> 6,39
Reimbursement to the Rural electrification and tele- phone revolving fund for interest subsidies and losses 271				
Appropriation, current	BA	215,964	100,000 <sup>H</sup> — 100,000	
Outlays	0	215,964	100,000 H — 100,000	
Total Reimbursement to the Rural electrification and telephone revolving fund for interest				
subsidies and losses	BA O	<b>215,964</b> 215,964		

Account and functional code		1985 actual	1986 estimale	1987 estimate
Department of A	gricu	lture—Con.		
Rural Electrification Administration—Con.				
Purchase of Rural Telephone Bank capital stock				
452				
Appropriation, current	BA	30,000	30,000 H — 28,710 W — 1,290	••••••
Outlays	0	30,000	30,000 " — 28,710 " — 1,290	
Total Purchase of Rural Telephone Bank capital				
stock	BA O	<b>30,000</b> 30,000		
Public Enterprise Funds:				
Rural communication development fund 452				
Appropriation, current	BA	841	1,196	1,59
Authority to borrow, permanent, indefinite	BA		452	
Outlays	0	5,668	3,654	3,29
Total Rural communication development fund	BA O	<b>84</b> 1 5,668	1, <b>648</b> 3,654	1 <b>,59</b> 3,293
Rural electrification and telephone revolving fund 271				
Authority to borrow, permanent	BA	152,504		
Outlays	0	1,439		
Limitation on direct loan obligations		(1,100,000)	(900,000) ** ( — 38,700)	(435,000)
Intragovernmental Funds:				
REA, FFB direct loans 271				
Authority to borrow, current	BA	2 002 750	<sup>w</sup> − 1,462	W — 11,000
Authority to borrow, permanent, indefinite Outlays	BA O	<b>2,062,759</b> 1,088,363	<b>2,020,000</b> 720,000	1, <b>815,00</b> ( 1,315,000
Outlays	U	1,000,303	₩ —1.462	* 11,000
Limitation on direct loan obligations		(1,325,000)	(975,000) w ( — 41,925)	(225,000)
Total REA, FFB direct loans	ВА	2,062,759	2,018,538	1,804,000
	0	1,088,363	718,538	1,304,000
REA, FFB loan asset purchases 271				
Authority to borrow, current, indefinite	BA			<sup>7</sup> — 75,900
Authority to borrow, permanent, indefinite	BA	378,600	326,800	75,900
Outlays	0	187,600	326,800	75,900 75,900 – 75,900
Total REA, FFB loan asset purchases	BA	378,600	326,800	
	0	187,600	326,800	

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricul	ture—Con.		
Rural Electrification Administration—Con.				
Public Enterprise Funds: Rural telephone bank 452 Authority to borrow, current, indefinite	ВА		₩ <b>—7,9</b> 55	
Authority to borrow, permanent, indefinite Outlays	BA O	<b>97,625</b> 7,660	1 <b>09,463</b> 36,583 ** — 1,236	<b>56,357</b> — 20,622 <sup>w</sup> — 1,511
Limitation on direct loan obligations		(185,000)	(185,000) ** ( — 7,955)	(139,000)
Total Rural telephone bank	BA O	<b>97,625</b> — <b>7,660</b>	1 <b>01,508</b> 35,347	<b>56,357</b> — 22,133
Total Federal funds Rural Electrification Adminis- tration	BA O	<b>2,968,957</b> 1,548,778	<b>2,477,973</b> 1,114,723	1, <b>866,553</b> 1,291,551
Farmers Home Administration				
Federal funds				
General and Special Funds: Rural water and waste disposal grants 452 Appropriation, current	BA	115,000	114.310	
		ŕ	$^{w}$ — 4,915	
Outlays	0	175,882	183,239 <u>** — 98</u>	162,964 " — 737
Total Rural water and waste disposal grants	BA O	11 <b>5,000</b> 175,882	109,395 183,141	162,227
Salaries and expenses 452 Appropriation, current	ВА	352,297	373,945 ** — 16,041	382,639
Outlays	0	339,554	373,314 "—14,918	381,955 w — 1,123
Total Salaries and expenses	BA O	<b>352,297</b> 339,554	<b>357,904</b> 358,396	<b>382,639</b> 380,832
Rural community fire protection grants 452 Appropriation, current	ВА	3,250	3,230 ** — 139	
Outlays	0	3,073	3,441 w — 63	2,339 <u>**</u> 7
Total Rural community fire protection grants	BA O	<b>3,250</b> 3,073	<b>3,091</b> 3,378	2,332
Rural housing for domestic farm labor 604 Appropriation, current	ВА		9,940 ** — 427	
Outlays	0	2,905	10,246 " — 17	11,937 <u>" — 107</u>
Total Rural housing for domestic farm labor	BA O	2,905	9,513 10,229	11,830

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricul	ltur <del>e</del> —Con.		
Farmers Home Administration—Con.				
Mutual and self-help housing 604				
Appropriation, current	BA	8,000	7,952 ₩ — 342	
Outlays	0	7,569	6,625 ** — 27	7,71 ** — 13
Total Mutual and self-help housing	BA	8.000	7,610	
	0	7,569	6,598	7,58
Very low income housing repair grants 604				
Appropriation, current	BA	12,500	12,425 * - 534	
Outlays	0	12,035	12,128 ** — 510	# _ 6
Total Very low income housing repair grants	BA	12,500	11,891	
	0	12,035	11,618	5
Rural rental assistance payments 604				
Appropriation, current	BA			
OutlaysCompensation for construction defects 371	0	835	10,583	17,7
Appropriation, current	BA	1,000	745	
	_		₩ — <b>32</b>	
Outlays	0	390	879 w — 32	
Total Compensation for construction defects	BA	1,000	713	
	0	390	847	
Rural housing preservation grants 604				
Appropriation, current	BA	5,000		
Reappropriation	ВА		<sup>w</sup> — 860 20,000	
Outlays	0		1.000	8.0
,-		•••••	₩ — 65	w −3
Total Rural housing preservation grants	BA	5.000	19,140	
0,	0		935	7,6
Miscellaneous expiring appropriations:				
(Area and regional development) 452				
(Outlays)	0	1,283	1,695	

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricu	lture—Con.		
Farmers Home Administration—Con.				
Public Enterprise Funds:				
Agricultural credit insurance fund 351				
Appropriation, current	BA	1,089,943	1,083,403	2,440,203
Indefinite	BA		<sup>w</sup> − 65,446	₩ 3,830
Authority to borrow, current, indefinite	BA			<sup>7</sup> — 536,875
Authority to borrow, permanent, indefinite	BA	1,890,944	1,004,275	394,040
Outlays	0	2,782,291	2,131,086	2,369,574 - 489,295
			-5,160	₩ —1,278
Limitation on administrative expenses (P.L. 99-				
177)			(75,769)	
			₩ ( — 3,258)	
Limitation on direct loan obligations		(4,292,000)	(3,342,000)	(2,200,000 ( — 700,000
			w (-143,706)	( ,,,,,,,,
Limitation on guaranteed loan commitments		(1,246,000)	(1,956,000) " (—84,108)	(2,500,000
Total Agricultural credit insurance fund	ВА	2,980,887	2,022,232	2,301,19
total Agricultural credit insurance fund	0	2,782,291	2,125,926	1,879,00
Intragovernmental Funds: Agricultural credit insurance fund, FFB loan asset purchases 351				
Authority to borrow, current	BA		w = 83,420	
Indefinite	BA		,	<sup>J</sup> — 165,70
Authority to borrow, permanent, indefinite	BA	6,815,000	2,255,130	165,70
Outlays	0	2,658,000	1,005,130	-219,29
<b>54.4</b> )	_	, ,		$^{J}-165,70$
			-83,420	w 3,14
Total Agricultural credit insurance fund, FFB				
loan asset purchases	BA	6,815,000	2,171,710	
	0	2,658,000	921,710	381,85
Public Enterprise Funds:				
Self-help housing land development fund 371			000	00
Outlavs	0	8	292	29

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricu	lture—Con.		
Farmers Home Administration—Con.				
Rural housing insurance fund 371				
Appropriation, current	BA	1,843,927	1,832,863 <sup>H</sup> — 351,476	2,714,566
1-4-6:-:4-	DA	102.010	<sup>₩</sup> — 49,914	$^{W}-1,200$
Indefinite	BA BA	103,810	163,420	151,868
	0 0	<b>574,142</b> 2,385,364	<b>668,676</b> 2,941,759	2,075,926
Outlays	U	2,303,304	# — 16,100 # — 268	# — 229,712 # — 30,700
Limitation on administrative expenses (P.L. 99-				
177)		••••••	(49,268) ** ( — 9,611)	
Limitation on direct loan obligations		(3,238,000)	(2,127,600) (2,127,600) (-700,000) (-91,487)	
Total Rural housing insurance fund	BA O	<b>2,521,879</b> 2,385,364	<b>2,263,569</b> 2,925,391	<b>2,865,234</b> 1,815,514
Rural housing insurance fund, FFB loan asset purchases 371 Authority to borrow, current, indefinite	BA BA O	<b>3,695,000</b> 1,585,000	<sup>H</sup> - 361,000 <sup>W</sup> - 49,000 801,000 801,000	 —150,000
Total Rural housing insurance fund, FFB loan asset purchases	ВА	3,695,000	# — 361,000 # — 49,000 391,000	
	0	1,585,000	391,000	-150,000
Public Enterprise Funds: Rural development insurance fund 452				
Appropriation, current	BA	560,005	556,645	736,619
Authority to borrow, current	BA		<sup>₩</sup> —18,290	w 2,911
Authority to borrow, permanent, indefinite	BA	159,807	256,822	
Outlays	0	724,014	761,751 * — 18	1,001,168 w — 11
Limitation on direct loan obligations		(455,000)	(440,000) w (-18,920)	•••••
Limitation on guaranteed loan commitments		(150,000)	(100,000) w (-4,300)	
Total Rural development insurance fund	BA O	<b>719,812</b> 724,014	<b>795,177</b> 761,733	<b>739,530</b> 1,001,157

BUDGET BY AGENCY AND ACCOUNT	(in	thousands of	dollars)—(	Continued
Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gric	ulture—Con.		
Farmers Home Administration—Con.				
Intragovernmental Funds: Rural development insurance fund, FFB loan asset purchases 452				
Authority to borrow, current, indefinite	BA BA O	1, <b>010,000</b> 415,000	<sup>₩</sup> — <b>679 343,978</b> 313,978 <sup>₩</sup> — 679	
Total Rural development insurance fund, FFB loan asset purchases	BA O	1, <b>010,000</b> 415,000	<b>343,299</b> 313,299	
Public Enterprise Funds: Rural development loan fund 452	U	413,000	313,233	
Outlays	0	<u>-471</u>	<u> 400</u>	
Total Federal funds Farmers Home Administra- tion	BA O	18,291,875 11,092,716	<b>8,506,244</b> 8,026,371	<b>6,288,6</b> 0 4,754,48
Soil Conservation Service				
Federal funds				
General and Special Funds:         Conservation operations         302           Appropriation, current	ВА	364,920	364,289	361,99
Outlays	0	367,884	* — 1 <b>5,620</b> 361,681 * — 14,970	361,46 w — 1,24
Total Conservation operations	BA 0	<b>364,920</b> 367,884	<b>348,669</b> 346,711	<b>361,9</b> 9
River basin surveys and investigations 301 Appropriation, current	ВА	14,906	14,817 * — 637	9,47
Outlays	0	15,361	15,220 * — 612	9,79 
Total River basin surveys and investigations	BA O	1 <b>4,906</b> 15,361	14,180 14,608	9,47 9,75
Watershed planning 301 Appropriation, current	ВА	8,922	8,868 * — 381	6,48
Outlays	0	8,515	9,777 w — 377	6,62 w _ 3
Total Watershed planning	BA 0	<b>8,922</b> 8,515	<b>8,487</b> 9,400	<b>6,4</b> 8

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricult	ure—Con.		
Soil Conservation Service—Con.				
Watershed and flood prevention operations 301 Appropriation, current	ВА	183,843	230,692 <sup>H</sup> — 60,401	67,778
Outlays	0	248,904	** — <b>9,920</b> 243,487  ** — 18,120  ** — 7,031	216,592 <sup>H</sup> — 27,180 <sup>w</sup> — 3,234
Total Watershed and flood prevention operations.	BA 0	1 <b>83,843</b> 248,904	1 <b>60,37</b> 1 218,336	<b>67,778</b> 186,178
Great plains conservation program 302 Appropriation, current	ВА	21,531	21,402 <sup>H</sup> — 6,606	
Outlays	0	20,954	w — <b>920</b> 21,518 w — 417	11,854 <sup>H</sup> — 1,580 <sup>W</sup> — 230
Total Great plains conservation program	BA 0	<b>21,531</b> 20,954	13,876 21,101	10,044
Resource conservation and development 302 Appropriation, current	ВА	26,320	26,162 * — 1.125	11,400
Outlays	0	27,050	27,796 w — 758	22,849 ** — 452
Total Resource conservation and development	BA 0	<b>26,320</b> 27,050	<b>25,037</b> 27,038	11, <b>400</b> 22,397
Trust funds Miscellaneous contributed funds: (Water resources) 301				
(Appropriation, permanent, indefinite)	BA O	<b>331</b> 1,706	<b>460</b> 2,060	<b>460</b> 1,769
(Appropriation, permanent, indefinite)(Outlays)	BA O	1 <b>00</b> 100	100 100	100 100
Total Miscellaneous contributed funds	BA O	431 1,806	<b>560</b> 2,160	<b>560</b> 1,869
Total Federal funds Soil Conservation Service	BA O	<b>620,442</b> 688,668	<b>570,620</b> 637,194	<b>457,126</b> 595,181
Total Trust funds Soil Conservation Service	BA 0	<b>431</b> 1,806	2,160	560 1,869

Department of Agriculture—Con.	253,15 - 20,85 253,15 - 20,85 w — 1,94	314,388	ure—Con.	gricult	Department of A	
Federal funds   Salaries and expenses   352	253,15 2-20,85	314,388				
Salaries and expenses   352	253,15 2-20,85	314,388			Animal and Plant Health Inspection Service	
Salaries and expenses   352   Appropriation, current   BA   298,557   314,388	253,15 2-20,85	314,388			Federal funds	
Appropriation, current	253,15 2-20,85	314,388				
Outlays         0         297,685         314,388           "—11,958           Total Salaries and expenses         BA         298,557         300,869           0         297,685         302,430           Buildings and facilities         352         Appropriation, current         BA         2,361         4,236           W—182         Outlays         0         3,397         5,240           Total Buildings and facilities         BA         2,361         4,054           0         3,397         5,240           Total Buildings and facilities         BA         2,361         4,054           0         3,397         5,240    **Total Buildings and facilities  BA         5,103         4,735           Appropriation, permanent, indefinite         BA         5,103         4,735           Outlays         0         4,273         3,917           Total Miscellaneous trust funds         BA         5,103         4,735           Outlays         0         4,273         3,912           Total Federal funds Animal and Plant Health Inspection Service         BA         5,103         4,735           Outlays         0         4,273         3,912	253,15 2-20,85	314,388	******			
Outlays       0       297,685       314,388         "—11,958         Total Salaries and expenses       BA       298,557       300,869         0       297,685       302,430         Buildings and facilities       352         Appropriation, current       BA       2,361       4,236         W—182       0       3,397       5,240         Total Buildings and facilities       BA       2,361       4,054         O       3,397       5,240         Total Buildings and facilities       BA       2,361       4,054         O       3,397       5,240         Total Buildings and facilities       BA       2,361       4,054         Total Buildings and facilities       BA       2,361       4,054         Total Buildings and facilities       BA       3,103       4,735         Outlays       0       4,273       3,977         W—65         Total Miscellaneous trust funds       BA       5,103       4,735         Total Federal funds Animal and Plant Health Inspection Service       BA       5,103       4,735 <td colsp<="" td=""><td><math>^{\prime}-20.85</math></td><td></td><td>298,557</td><td>BA</td><td>Appropriation, current</td></td>	<td><math>^{\prime}-20.85</math></td> <td></td> <td>298,557</td> <td>BA</td> <td>Appropriation, current</td>	$^{\prime}-20.85$		298,557	BA	Appropriation, current
Total Salaries and expenses	$^{\prime}-20.85$					
Total Salaries and expenses		314,388	297,685	0	Outlays	
Buildings and facilities   352	- 1,54	w −11,958				
Buildings and facilities   352	232,30				Total Salaries and expenses	
Appropriation, current BA 2,361 4,236	230,35	302,430	297,685	0 _		
Outlays         0         3,397         5,240           Total Buildings and facilities         BA 2,361 4,054 0 3,397 5,240           Trust funds           Miscellaneous trust funds         352 Appropriation, permanent, indefinite         BA 5,103 4,735 0 4,273 3,977 w - 65           Total Miscellaneous trust funds         BA 5,103 4,735 0 4,273 3,912           Total Federal funds Animal and Plant Health Inspection Service         BA 300,918 304,923 0 307,670           Total Trust funds Animal and Plant Health Inspection Service         BA 5,103 4,735 0 307,670           Total Trust funds Animal and Plant Health Inspection Service         BA 5,103 4,735 0 4,273 3,912           Federal Grain Inspection Service         BA 5,103 4,735 0 4,273 3,912           Federal funds         BA 5,103 4,735 0 4,273 3,912	2,34	4 236	2 361	RA		
Total Buildings and facilities	2,0		2,001	<i>-</i>	Appropriation, current	
## Trust funds    Miscellaneous trust funds   352	4,41	5,240	3,397	0	Outlays	
## Trust funds    Miscellaneous trust funds   352	w - 18			_		
## Appropriation, permanent, indefinite ## Appropriation ##	2,34	4,054		BA	Total Buildings and facilities	
Miscellaneous trust funds   352   Appropriation, permanent, indefinite   BA   5,103   4,735   3,977   1,273   3,977   1,275   5,103   4,735   6,275   7,000   1,273   3,912   1,275	4,23	5,240	3,397	0 _		
Appropriation, permanent, indefinite						
Outlays						
Total Miscellaneous trust funds	<b>4,73</b> 4,73			_		
Total Federal funds Animal and Plant Health Inspection Service	w _ 3		4,273	_	Outlays	
Total Federal funds Animal and Plant Health Inspection Service	4,73	4.735	5.103	BA	Total Miscellaneous trust funds	
Inspection Service	4,70	3,912		0 _		
Total Trust funds Animal and Plant Health Inspection Service  Federal Grain Inspection Service  Federal funds  Seneral and Special Funds: Salaries and expenses  0 301,082 307,670 BA 5,103 4,735 0 4,273 3,912  Federal funds  Seneral and Special Funds: 352					Total Federal funds Animal and Plant Health	
Total Trust funds Animal and Plant Health Inspection Service  Federal Grain Inspection Service  Federal funds  Seneral and Special Funds: Salaries and expenses  352	234,64				Inspection Service	
spection Service BA 5,103 4,735 0 4,273 3,912 =  Federal Grain Inspection Service  Federal funds  eneral and Special Funds: Salaries and expenses 352	234,59	307,670	301,082	0 _		
Federal Grain Inspection Service  Federal funds  ieneral and Special Funds: Salaries and expenses 352	4.70	4 725	E 100	D.A		
Federal funds ieneral and Special Funds: Salaries and expenses 352	<b>4,7</b> 3 <b>4,</b> 70				spection Service	
Federal funds ieneral and Special Funds: Salaries and expenses 352				=	Federal Grain Inspection Service	
Salaries and expenses 352						
Salaries and expenses 352						
	6,97 - 6.97	7,003	6,994	BA		
<i>w</i> −301	- 0,57	w <b>−301</b>				
Outlays 0 6,480 7,003	6,97		6,480	0	Outlays	
W ors	/ ^ ^-	w 051				
	J — 6,97	<u>" — 251</u> _		_		
Total Salaries and expenses	y — 6,97 w — 5			BA	Total Salaries and expenses	

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricult	ure—Con.		
Federal Grain Inspection Service—Con.				
Public Enterprise Funds:				
Inspection and weighing services 352				
Outlays	0	<b>— 893</b>	₩ — 1,585	
Total Inspection and weighing services	0	<b>— 893</b>	<b>— 1,585</b>	
Total Federal funds Federal Grain Inspection				
Service	BA	6,994	6,702	
	0 =	5,587	5,167	
Agricultural Marketing Service				
Federal funds				
General and Special Funds:				
Marketing services 352				
Appropriation, current	BA	30,916	31,887	31,053 - 26,710
0.11	•	01 070	<sup>₩</sup> — 1,371	21.052
Outlays	0	21,970	34,887	31,053 2 — 26,710
	_		w — 1,918	w - 676
Total Marketing services	BA	30,916	30,516	4,343
ŭ	0	21,970	32,969	3,667
Payments to States and possessions 352				
Appropriation, current	BA	990	984 * 42	•••••
Outlays	0	960	1,828	
			<b>₩</b> − 1	w − 41
Total Payments to States and possessions	BA	990	942	
	0	960	1,827	<b>—41</b>
Perishable Agricultural Commodities Act fund 352	-			
Appropriation, permanent, indefinite	BA	3,403	3,356	3,356
Outlays	0	3,497	3,356	3,356
•			w — 102	w <u>42</u>
Total Perishable Agricultural Commodities Act				
fund	BA	3,403	3,356	3,356
	0	3,497	3,254	3,314
Funds for strengthening markets, income, and supply (section 32) 605				
Appropriation, permanent, indefinite	ВА	487,263	376,723	420,077
Outlays	0	476,285	386,974	360,147
			W 0001	<sup>J</sup> - 5,937
			₩ — <b>8,991</b>	$\frac{w-7,208}{}$
Total Funds for strengthening markets, income,				
and supply (section 32)	BA	487,263	376,723	420,077
	0 .	476,285	377,983	347,002

BUDGET BY AGENCY AND ACCOUNT (in	thousands of dollars)—Continued
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Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricult	ture—Con.		
Agricultural Marketing Service—Con.				
Trust funds				
Miscellaneous trust funds 352				
Appropriation, permanent, indefinite	BA	79,231	78,378	78,378
Outlays	0	97,129	86,417 ** — 2,982	78,378 w — 207
Total Miscellaneous trust funds	BA	79,231	78,378	78,378
	0	97,129	83,435	78,171
Milk market orders assessment fund 351				
Outlays	0	590	500	
			<sup>₩</sup> — 1,445	
Total Milk market orders assessment fund	0	590	<b>— 945</b>	
Total Federal funds Agricultural Marketing Serv-				
ice	BA O	<b>522,572</b> 502,712	<b>411,537</b> 416,033	<b>427,776</b> 353,942
Tatal Trust funds Assignitural Marketing Consiss	BA .			
Total Trust funds Agricultural Marketing Service.	0	<b>79,231</b> 97,719	<b>78,378</b> 82,490	<b>78,37</b> 8 78,171
Office of Transportation				
Federal funds				
General and Special Funds:				
Office of Transportation 352				
Appropriation, current	BA	2,843	2,451 * — 105	1,23
Outlays	0	2,548	2,451	1,233
			<u>w -86</u>	<u>w</u> -19
Total Office of Transportation	BA	2,843	2,346	1,233
	0	2,548	2,365	1,214
Food Safety and Inspection Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 554	_			
Appropriation, current	BA	364,635	362,079	365,84 - 365,84
	•	250.040	w — 15,569	207.04
Outlays	0	359,040	362,079	365,84 - 365,84
			-16,223	w - 1,02
Total Salaries and expenses	BA	364,635	346,510	
	0	359,040	345,856	-1,02

BUDGET B	Y AGENCY	AND	ACCOUNT	(in	thousands	of	dollars)—Continued	

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricu	lture—Con.		
Food Safety and Inspection Service—Con.				
Trust funds				
Expenses and refunds, inspection and grading of farm				
products 352				
Appropriation, permanent, indefinite	BA	686	825	825
Outlays	0	866	825 ₩ — 33	825 ** 2
				" -2
Total Expenses and refunds, inspection and				
grading of farm products	BA O	686 ecc	825	825
	U	866	792	823
Food and Nutrition Service				
Federal funds				
General and Special Funds:				
Food program administration 605				
Appropriation, current	BA	84,187	82,007	86,100
Outlana	Λ	02 220	<sup>₩</sup> — <b>3,526</b> 82,704	05 750
Outlays	0	83,238	<sup>₩</sup> — 3,244	85,750 w — 282
Total Food norman administration	D.A	04.107		
Total Food program administration	BA O	<b>84,187</b> 83,238	<b>78,481</b> 79,460	<b>86,100</b> 85,468
	•		73,400	00,100
Food stamp program 605	D.4	44 554 565		44 004 045
Appropriation, current	BA	11,751,527	11,833,884 <sup>L</sup> — 69,000	11,831,915 L —313,336
			<sup>₩</sup> — 2,568	-313,330
Outlays	0	11,701,174	11,737,366	11,819,749
			<sup>L</sup> 68,993	L = 314,770
			-1,160	-1,408
Total Food stamp program	BA	11,751,527	11,762,316	11,518,579
	0	11,701,174	11,667,213	11,503,571
Nutrition assistance for Puerto Rico 605				
Appropriation, current	BA	825,000	820,050	825,000
Outlays	0	824,564	820,366	825,000
Special milk program 605				
Appropriation, current	BA	17,600	11,500	4.000
Outlays	0	15,993	13,890	4,232
Appropriation, current	BA	1,474,861	601,599	1,005,694
74propriation, outroite	<i>-</i>	1,474,001	001,000	<sup>L</sup> —775,281
			$^{W}-144$	
Appropriation, permanent	BA	2,329,819	3,271,592	3,227,923
Outlays	0	3,664,561	3,866,689	4,197,574
			w — 141	L - 697,753 W - 3
Total Child nutrition programs	BA	3,804,680	3,873,047	3,458,336
	0	3,664,561	3,866,548	3,499,818

BUDGET BY	AGENCY	AND	ACCOUNT	(in	thousands	of	dollars)—Continued
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Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricul	ture—Con.		
Food and Nutrition Service—Con.				
Special supplemental food program for women, infants				
and children (WIC) 605 Appropriation, current	BA	1,500,000	1,560,580 w — 86	1,617,000
Outlays	0	1,494,735	1,581,295 w — 86	1,612,525
Total Special supplemental food program for women, infants and children (WIC)	BA O	1 <b>,500,000</b> 1,494,735	1 <b>,560,494</b> 1,581,209	1,617,000 1,612,525
Commodity supplemental food program 605 Appropriation, current Outlays	BA O	<b>24,918</b> 43,162	36, <b>777</b> 37,178	<b>38,605</b> 38,577
Cash and commodities for selected groups 605 Appropriation, current	BA	139,546	193,405 <sup>H</sup> — 5,183 <sup>W</sup> — 8,316	187,300
Outlays	0	166,718	209,518 " — 4,697 " — 6,856	179,421 H — 486 W — 1,460
Total Cash and commodities for selected groups.	BA O	1 <b>39,546</b> 166,718	1 <b>79,906</b> 197,965	1 <b>87,300</b> 177,475
Total Federal funds Food and Nutrition Service	BA O	1 <b>8,147,458</b> 17,994,145	1 <b>8,322,57</b> 1 18,263,829	1 <b>7,730,920</b> 17,746,666
Human Nutrition Information Service				
Federal funds General and Special Funds:				
Salaries and expenses 352 Appropriation, current	BA	7,533	13,481	6,876
Outlays	0	7,182	w — <b>580</b> 10,882 w — 250	6,876 w — 330
Total Salaries and expenses	BA O	<b>7,533</b> 7,182	1 <b>2,90</b> 1 10,632	<b>6,876</b> 6,546
Packers and Stockyards Administration				
Federal funds				
General and Special Funds: Packers and Stockyards Administration 352 Appropriation, current	BA	9,035	9,146	9,093
			w − 393	<sup>J</sup> — 9,093
Outlays	0	8,656	9,146 w — 353	9,093 
Total Packers and Stockyards Administration	BA O	<b>9,035</b> 8,656	8,753 8,793	<u>-40</u> -40

Account and functional code			1985 actual	1986 estimate	1987 estimate
Department	of A	gricult	ture—Con.		
Agricultural Cooperative Service					
Federal funds					
General and Special Funds:	250				
Salaries and expenses Appropriation, current	352	BA	4,675	4,685	3,698
, , , , , , , , , , , , , , , , , , , ,		571	.,0,0		<sup>J</sup> — 3,698
Outlavs		۸	4 202	<sup>w</sup> − 201	2.000
Outlays	•••••	0	4,323	4,685	3,698 3,698 – 7
				w —116	w — 85
Total Salaries and expenses		BA	4,675	4,484	
		0	4,323	4,569	<b>—85</b>
Forest Service		=			
Federal funds					
receial funds					
Forest research	302				
Appropriation, current		BA	113,826	125,525	111,481
Outlays		0	113,069	** — <b>5,398</b> 122,979	114.453
Outlays		U	113,009	₩ 4,152	w — 1,267
Total Forest research		BA -	113,826	120,127	
10(a) 10(est 16s6a)(ii	•••••	0	113,069	118,827	<b>111,481</b> 113,186
State and private forestry	302	-			
Appropriation, current		ВА	58,292	57,638	24,871
				$^{w}$ — 2,478	
Outlays	•••••	0	57,483	57,761 * 2,151	30,133 # — 337
Total State and private forestry		BA O	<b>58,292</b> 57,483	<b>55,160</b> 55,610	<b>24,871</b> 29,796
		٠ .	37,403		23,730
National forest system Appropriation, current	302	BA	1 111 540	1 049 201	990 400
Appropriation, current	••••••	DA	1,111,548	1,048,301 ^ 165,700	889,488
					<sup>7</sup> 5,000
Outlays		0	1,063,174	<sup>w</sup> — <b>45,077</b> 1,080,315	914,610
Outrays		U	1,003,174	4 165,700	314,010
					J 4,000
				-39,068	w — 6,009
Total National forest system		BA	1,111,548	1,168,924	894,488
		0	1,063,174	1,206,947	912,601
Construction	302				
Appropriation, current		BA	111,794	222,522 ** — 9,568	195,197
Outlays		0	273,223	240,119	208,765
			•	₩ — 5,665	w = 3,243
Total Construction		BA	111,794	212,954	195,197
		0	273,223	234,454	205,522

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricult	ure—Con.		
Forest Service—Con.				
Other appropriations 302				
Outlays	0	412	948	
Operation and maintenance of recreation facilities				
302	D.A			150.00
Appropriation, current	BA O			<sup>7</sup> <b>52,0</b> 7 39,0
OutlaysAcquisition of lands for national forests, special	U			- 35,0
acts 302				
Appropriation, current	BA	706	777	90
rippi opriacion, carroncimi	<b>5</b>	,,,,	<sup>w</sup> −33	•
Outlays	0	544	776	9,
,			w −30	w _
Total Association of lands for national farests	_			
Total Acquisition of lands for national forests, special acts	BA	706	744	9
special acts	0	544	746	9.
	_			
Acquisition of lands to complete land exchanges				
302	D.4			
Appropriation, current, indefinite	BA	42	20	8
Outlays	0	6	20 w — 1	8
	-			
Total Acquisition of lands to complete land ex-				
changes	BA	42	20	8
	0 _	6	19	8
Range betterment fund 302				
Appropriation, current, indefinite	BA	3,966	3,798	3,8
Outlays	0	3,920	3,832	3,8
			w −131	w _ :
Total Range betterment fund	BA	3,966	3,798	3,8
Total Range betterment fund	0	3,920	3,701	3,7
	_			-,-
Land acquisition 303				
Appropriation, current	BA	50,535	28,130	3,2
Outland	0	40.000	W — 1,210	21.7
Outlays	0	42,288	40,527 ** — 484	31,7 ** — 6
	-		-404	-0
Total Land acquisition	BA	50,535	26,920	3,2
	0 _	42,288	40,043	31,1
Operations and maintenance of quarters 302				
Appropriation, permanent, indefinite	BA	4,854	5,100	5,4
Outlays	0	3,232	5,051	5.3
V4.14)0	Ü	5,202	₩ — 175	₩_
	-			
Total Operations and maintenance of quarters	BA	4,854	5,100	5,4
	0	3,232	4,876	5,2

Account and functional code		1985 actual	1986 estimate	1987 estimate
Department of A	gricult	ure—Con.		
Forest Service—Con.				
Forest Service permanent appropriations 302 Appropriation, permanent, indefinite Outlays	BA 0	1 <b>53,080</b> 102,916	1 <b>46,939</b> 150,371 ** — <b>4,</b> 827	1 <b>29,997</b> 135,189 " — 1,493
Total Forest Service permanent appropriations	BA 0	1 <b>53,080</b> 102,916	146,939 145,544	129,997 133,696
Forest Service permanent appropriations 852 Appropriation, current, indefinite	BA BA O	<b>235,699</b> 235,699	<b>227,618</b> 227,618	<sup>3</sup> — <b>224,816</b> <b>309,706</b> 309,706 <sup>3</sup> — 224,816
Total Forest Service permanent appropriations	BA 0	<b>235,699</b> 235,699	227,618 217,830	<b>84,890</b> 84,890
Intragovernmental Funds: Working capital fund 302 Outlays	0	<b>—17,584</b>		
Trust funds Miscellaneous trust funds:				
(Conservation and land management) 302 (Appropriation, current)	ВА	35	89 **4	90
(Appropriation, permanent, indefinite)(Outlays)	BA O	<b>234,625</b> 285,127	1 <b>55,091</b> 167,170 w — 4,426	1 <b>97,616</b> 190,872 * — 767
Total (Conservation and land management)	BA 0	<b>234,660</b> 285,127	1 <b>55,176</b> 162,744	1 <b>97,706</b> 190,105
(Ground transportation) 401 (Outlays)	0	20	89 w _ 4	90
Total (Ground transportation)	0	20	85	90
Total Miscellaneous trust funds	BA 0	<b>234,660</b> 285,147	<b>155,176</b> 162,829	<b>197,706</b> 190,195
Reforestation trust fund 302 Appropriation, permanent, indefinite Outlays	BA O	<b>37,405</b> 78,556	<b>30,000</b> 34,749 w — 1,032	<b>30,000</b> 30,000 * 258
Total Reforestation trust fund	BA 0	<b>37,405</b> 78,556	<b>30,000</b> 33,717	<b>30,000</b> 29,742
Total Federal funds Forest Service	BA 0	1 <b>,844,342</b> 1,878,382	1,968,304 2,029,545	1, <b>507,191</b> 1,560,831
Total Trust funds Forest Service	BA 0	<b>272,065</b> 363,703	185,176 196,546	<b>227,706</b> 219,937

Account and functional code			1985 actual	1986 estimate	1987 estimate
Departmen	nt of A	gricu	ture—Con.		
Summary					
ederal funds:					
(As shown in detail above)	•••••		62,587,177	57,732,948	46,716,974
Doductions for effecting receipts		0	56,083,404	55,196,705	45,561,63
Deductions for offsetting receipts: Intrafund transactions	302	BA			
intratunu transactions	302	0	<i>— 423</i>		
Proprietary receipts from the public	302	BA			
Trophotaly recorpts from the pashe	002	0	<i>— 707,957</i>	<i>—1,048,862</i>	<i>— 909,74</i>
	303	BA			
		0	***************************************	•	- <i>52,000</i>
Total Federal funds		BA	61,878,797	56,684,086	45,755,226
Total Tederal funds	•••••	0	55,375,024	54,147,843	44,599,889
rust funds:					
(As shown in detail above)		BA	364,264	275,238	317,817
		0	474,368	291,517	311,113
Deductions for offsetting receipts:	200				
Proprietary receipts from the public	302	BA	234,625	<i>— 155,091</i>	<i>— 197,61</i>
	251	O BA	,		, , , , , , , , , , , , , , , , , , , ,
	352	0 0	<i>— 91,986</i>	<i>—89,915</i>	-90,01
Total Trust funds		ВА	37,653	30.232	30,19
		0	147,757	46,511	23,487
Total Department of Agriculture		BA	61,916,450	56,714,318	45,785,417
, , , , , , , , , , , , , , , , , , ,		0	55,522,781	54,194,354	44,623,376
Depart	ment o	of Co	mmerce	1,-1,-1	
General Administration					
Federal funds					
eneral and Special Funds: Salaries and expenses	376				
Appropriation, current		BA	36,483	32,300 w — 1,389	39,25
Outlays			33,489	38,079	

30,911 36,549

16

596

**39,250** 38,253

596

**36,483** 33,489

500

134

See footnotes at end of table.

Total Salaries and expenses...... BA

Outlays ...... 0

376

0

White House conference on productivity

Outlays..... Special foreign currency program 376
Appropriation, current......

Account and functional code		1985 actual	1986 estimate	1987 estimate
Other Independent	Agen	cies—Con.		
Commission of Fine Arts				
Federal funds				
General and Special Funds:				
Salaries and expenses 451				
Appropriation, current	BA	374	380 ₩ — 16	420
Outlays	0	355	380	420
			w −15	w _
Total Salaries and expenses	BA -	374	364	420
	0 =	355	365	419
Commission on Civil Rights				
Federal funds				
General and Special Funds:				
Salaries and expenses 751 Appropriation, current	BA	12,869	12,300	12,57
	<b>D</b> , (	12,000	₩ — 529	12,07
Outlays	0	12,516	12,315 ** — 456	12,565 w — 73
Total Salaries and expenses	BA -	12,869	11,771	12,57
Total Galaties and expenses	0 =	12,516	11,859	12,48
Committee for Purchase from the Blind and other Severely Handicapped				
Federal funds				
General and Special Funds:				
Salaries and expenses 505 Appropriation, current	ВА	710	730	77
Appropriation, current	DA	/10	w −31	//
Outlays	0	703	729	77
	_	<del></del>	w − 26	w _
Total Salaries and expenses	BA	710	699	77
	0 =	703	703	76
Commodity Futures Trading Commission				
Federal funds				
		27,564	29,240	30,41
General and Special Funds:  Commodity Futures Trading Commission 376  Appropriation, current	BA			,
Commodity Futures Trading Commission 376 Appropriation, current			$^{W} - 1,257$	
Commodity Futures Trading Commission 376	BA O	27,878	w — <b>1,257</b> 29,862 w — 1,134	
Commodity Futures Trading Commission 376 Appropriation, current			29,862	30,300 

od-232 THE BUDGET FOR	FISC	CAL YEAR I	987	
BUDGET BY AGENCY AND ACCOUNT	(in	thousands of	dollars)—C	ontinued
Account and functional code		1985 actual	1986 estimate	1987 estimate
Other Independent	Ag	encies—Con.		
Equal Employment Opportunity Commission				
Federal funds				
General and Special Funds: Salaries and expenses 751	D.4	*** ***	105.000	407.004
Appropriation, current	BA	163,655	165,000 ** — 7,095	167,691
Outlays	0	158,207	167,960 w — 6,302	167,564 w — 732
Total Salaries and expenses	BA O	<b>163,655</b> 158,207	<b>157,905</b> 161,658	167,691 166,832
Export-Import Bank of the United States				
Federal funds				
Public Enterprise Funds:				
Export-Import Bank of the United States 155 Outlays	0	<b>— 383,614</b>	150,000 * 5.984	— 938,643 ** — 11.314
Limitation on administrative expenses		(18,900)	(18,357) "(-789)	(19,175)
Limitation on direct loan obligations		(3,865,000)	$(1,110,000)$ $^{w}(-47,730)$	
Limitation on guaranteed loan commitments		(10,000,000)	(12,000,000) "(-516,000)	(12,000,000)
Total Export-Import Bank of the United States	0	<u> - 383,614</u>	<u>155,984</u>	949,957
Interest rate subsidy program 155 Outlays	0			<u> </u>
Total Federal funds Export-Import Bank of the United States	0	383,614	<u> </u>	954,697
Farm Credit Administration				
Federal funds				
Public Enterprise Funds:				
Revolving fund for administrative expenses 351 Outlays	0	1,009	- 3,734 ₩ - 1,321	
Limitation on administrative expenses		(22,092)	(30,724) w (-1,321)	(39,420)
Total Revolving fund for administrative expenses	0	1,009	5,055	

	1985 actual	1986 estimate	1987 estimate
Tot	als		
DGET 1	TOTALS		
	,	805,628,153	826,903,547
	, ,	/91,/86,033	794,995,428
0	<i>— 22,039,579</i>	- <i>22,300,583</i>	-23,591,922
0	1	<sup>1</sup> 1,220,000	<sup>3</sup> 1,287,200
BA	_ <i>791,157</i>	<i> 684,472</i>	<i>- 660,271</i>
BA	— <i>12,884,292</i>	<i>— 12,037,156</i>	<i>—11,860,899</i>
BA	1	J 84,800	<sup>J</sup> — 1,900,673
0	- <i>2,263</i>	<i>— 300,000</i>	
053 BA O BA	- 5,541,880	<i>- 5,450,122</i>	<i>-5,279,971</i>
		<sup>J</sup> – 1,200,000	<sup>J</sup> — 1,200,000
BA	— <i>41,259,171</i>	<i> 40,837,133</i>	<i>— 43,206,536</i>
BA	<b>794,461,100</b> 726,136,775	<b>764,791,020</b> 750,948,900	<b>783,697,011</b> 751,788,892
		241,071,899 178,688,137	241,241,257
U	173,144,017	170,000,137	180,825,298
0	24,138	—11,350	<i>– 2,350</i>
BA	<i>— 3,559,591</i>	<i>— 3,068,000</i>	<i>-2,813,000</i>
	<i>— 16,830,124</i>	<i>— 18,223,130</i>	<i>— 19,541,985</i>
BA O			J — 987,200
BA 0	20,413,853	- <i>21,302,480</i>	- 23,344,535
BA	204,606,954	219,769,419	217,896,722
	DGET 1	Totals  JOGET TOTALS  BA 835,720,271	Totals  JOGET TOTALS

6d-266 THE BUDGET BUDGET BY AGENCY AND ACCO		FISCAL YEAR		Continued
	INU	1985	1986	1987
Account and functional code		actual	estimate	estimate
T	otals-	Con.		
	ET TOT	ALS—Con.		
nterfund transactions (—): Interest received by on-budget true	st			
funds 90	)2 BA	<b>— 22,071,238</b>	<b>— 26,623,564</b>	30,251,3
	O BA	,0,1,_00		
	0		<sup>J</sup> — 30,200	<sup>7</sup> 620,8
Employer share, employee retirement (or budget) 95				
budget) 33	0	<b>—24,708,376</b>	- 26,282,562	<b>— 27,549,6</b>
	BA			<sup>J</sup> — 921,2
Applied by agency above	BA			
, 47,000 2, 48,000, 400,000	0	<b>— 62,572,221</b>	-60,213,059	- 55,782,5
Total interfund transactions	ВА	100 251 025	112 140 205	112.004.0
	0	— 109,351,835 ———	— 113,149,385	— 113,884,0
Budget totals		889,716,219	871,411,054	887,709,7
	0	769,515,104	795,185,172	795,385,6
Off-t	budget	Totals		
rust funds:				
(As shown in detail above)		198,525,004	203,884,659	228,530,9
Deductions for offsetting receipts:	0	190,985,815	201,302,867	212,872,7
(As shown in detail above):				
Intrafund transactions	BA 0	Y — 364,586	<sup>Y</sup> —182,000	
Proprietary receipts from the public		<sup>Y</sup> -126		
Interfund Transactions:	0	-120		
Interest received by off-budget true funds 90				
iulios 30	0 DA	<sup>Y</sup> —4,117,790	<sup>y</sup> —4,417,921	<sup>Y</sup> —4,711,4
	BA			<sup>J</sup> 5,0
Employer share, employee retirement (of	0 ff-			
budget) 95	52 BA	<sup>Y</sup> —2,509,000	<sup>Y</sup> —2,843,000	<sup>Y</sup> —3,177,0
Applied by agency above	BA	2,000,000	2,040,000	0,177,0
, φρίτου ου αξοπού αυσνο	0	<b> 7,186,896</b>	<b>-9,117,008</b>	<b> 6,362,5</b>
Total deductions	BA	14 170 200	10.550.000	14.255.0
	0	<b>— 14,178,398</b>	—16,559,929 —————	— 14,255,9°
Off-budget totals		184,346,606	187,324,730	214,275,0
	0	176,807,417	184,742,938	198,616,7
Federal Government totals∆	BA	<b>1,074,062,825</b> 946,322,521	1,058,735,784 979,928,110	1,101,984,73 994,002,4
	J			

Account and functional code	1985	1986	1987
	actual	estimate	estimate

#### **Federal Government Totals**

 $\Delta$ Federal Government totals are distributed as follows:

	198	86	198	87
	ВА	Outlays	BA	Outlays
Federal funds:				
Enacted, pending and initial requests:				
Appropriations	826,338,515	799,417,984	818,493,096	800,325,485
Off-budget under current law (Y)	4,417,921	4,417,921	4,711,442	4,711,442
Legislative action required (L)	- 69,000	-68,993	-2,276,996	-2,224,692
Reduction pursuant to P.L. 99-177 (*) Proposed in this budget: Supplemental requests: Programs:	<b>— 18,580,909</b>	<b></b> 9,438,239	109,125	<b>-6,127,701</b>
Under existing legislation ( ^ )	1,222,396	1.332.211	<b>— 77,400</b>	- 20,590
Add. authorizing leg. req. (B)	714,541	89,780		282,840
Rescission proposal ( <sup>H</sup> )  To be proposed separately:	-10,011,383	<b>- 2,688,073</b>		<b>— 2,183,584</b>
Under existing legislation (1)	165,272	127,275		37,997
Under proposed legislation (3)	1,430,800	<b>— 1,403,833</b>	2,064,642	-3,832,125
Allowances			4,097,888	4,026,356
Deductions for offsetting receipts	<b>– 40,772,333</b>	<b>— 40,772,333</b>	-41,393,063	-41,393,063
Under proposed legislation ( )	-64,800	-64,800		
Total Federal funds	764,791,020	750,948,900	783,697,011	751,788,892
Trust funds:				
Enacted, pending and initial requests:				
Appropriations	243,009,774	180,022,651	239,355,414	187,358,913
Off-budget under current law (Y)	203,884,659	201,389,238	228,213,997	212,872,795
Legislative action required (+) Reduction pursuant to P.L. 99-177 (*)	- 882,225	— 1,842,707	4,659	-4,800 -1,754,382
Proposed in this budget: Supplemental requests: Programs:				
Under existing legislation ( * )		<b>—7,114</b>		<b>— 5,287</b>
Rescission proposal (#) To be proposed separately:	<b>— 1,057,650</b>	443,936		<b>— 730,230</b>
Under proposed legislation ( )	2,000	-15,000	2,198,184	-4,038,916
Deductions for offsetting receipts	<b>— 21,484,480</b>	- 21,484,480	- 22,357,335	-22,357,335
Under proposed legislation (7)			987,200	- 987,200
Total Trust funds	423,472,078	358,506,524	446,427,719	370,353,558
Interfund transactions ( $-$ )	-129,527,314	-129,527,314	-128,140,004	-128,140,004
Federal Government totals	1,058,735,784	979,928,110	1,101,984,726	994,002,446

<sup>&</sup>lt;sup>4</sup> Supplemental under existing legislation.
<sup>8</sup> Supplemental. Additional authorizing legislation required.

<sup>#</sup> Rescission proposal.

Proposed for later transmittal under existing legislation.

Proposed for later transmittal under proposed legislation.

<sup>\*</sup> Additional authorizing legislation required.

Legislative action required.

Reduction pursuant to Public Law 99-177

Off-budget under current law.

#### EXPLANATION OF THE SUMMARY TABLES

Overview.—The tables in this part of the budget are organized as follows:

- Tables 1 through 12 provide summary data on the 1987 budget in terms of budget authority, outlays, receipts, and surpluses or deficits for the period 1985-1991. Summary information is also included on Federal Government financing and debt, current services estimates, the credit budget, and Federal civilian employment.
- Tables 13 and 14 provide greater detail on governmental and offsetting receipts.
- Table 15 presents 5-year projections of the estimated costs of proposed legislation pursuant to 31 U.S.C. 1105(a)(12).
- Table 16 provides data on controllability of outlays.
- Tables 17 through 23 are historical in nature, giving data, for earlier years, comparable to those data in the preceding tables, and also providing comparisons with the gross national product and outlays in constant (fiscal year 1982) prices.

*Periods covered.*—Due to the change in fiscal year required by the Congressional Budget Act, the following periods are covered by the various columns or stub entries:

- July 1 through June 30, for the 1976 and prior fiscal periods.
- July 1 through September 30, 1976, for the transition quarter (TQ).
- October 1 through September 30, for the 1977 and subsequent fiscal periods.

Presentation of data.—In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), the 1987 Budget reflects the:

- —elimination of the off-budget status of formerly off-budget Federal entities; and
- —the movement of two social security trust funds (the Federal old-age survivors insurance and the Federal disability insurance trust funds) off-budget.

Amounts for all years have been adjusted to reflect these changes so that data are shown on a comparable basis. In most cases, totals shown in the 1987 Budget include off-budget amounts but the on- and off-budget components are identified separately. In tables by agency, entries for "Health and Human Services, except social security" present on-budget data and entries for "Health and

Human Services, social security" present the off-budget amounts distributed by agency.

In addition, the 1987 Budget reflects the effects of the sequestration of 1986 budgetary resources required by Public Law 99-177. Accordingly, data shown in the following tables incorporate the effects of this sequestration.

Data on governmental receipts reflect a reclassification of taxes on social security benefits. In prior budgets, these amounts were treated as deductions from Federal fund income taxes and as increases in social security trust fund social insurance taxes. These collections from the public are now classified as Federal income taxes, with transfers to the social security trust funds recorded as interfund transactions. The effect of the reclassification is to increase recorded Federal income taxes and decrease recorded social insurance taxes by the same amount. For additional information, see the notes to the "Historical Tables" volume.

The outlay totals for 1985 exceed those previously reported by the Treasury Department by \$396 million primarily because of: (a) adjustments in outlays of the Federal Home Loan Bank Board (+\$200 million), interest on the public debt (+\$145 million); and Department of Transportation boat safety (-\$9 million); and (b) classification of receipts of the Department of Justice crime victims fund as governmental receipts, rather than as offsets to outlays (+\$61 million). The net effect of these adjustments is to increase the deficit by \$336 million.

Allowances. Allowances for pay raises in 1987-1991 are shown for military personnel and for civilian employees of the Department of Defense (DoD-Military). In addition, allowances for other legislation are shown for 1986-1991. Included in the allowances for other legislation are amounts for increased contributions by DoD for its civilian employees and increases in military benefits, which are offset by savings. These allowances are included in the totals for the DoD-Military and in subfunction 051. Allowances for pay raises for non-defense civilian employees, for military pay raises for the Coast Guard, and for increased employing agency payments for employee retirement for civilian agencies in 1987-1991 are shown at the end of the tables.

Undistributed offsetting receipts. Offsetting receipts are generally deducted from budget authority and outlays at the subfunction and agency levels. However, in some cases, these amounts are undistributed, i.e., deducted from budget totals for the Government as a whole rather than from a single agency or subfunction to avoid distortion of agency or subfunction totals. These payments are for the employer share, employee retirement (both on-budget and off-budget amounts), rents and royalties on the Outer Continental Shelf (OCS), and the proposed sale of major physical assets (Con-

rail, Naval petroleum reserve, and power marketing administrations) in 1986-1991.

There are also offsetting receipts that are deducted at the subfunctional level but presented as undistributed offsetting receipts in tables showing budget totals by agency. These are interest received by on-budget trust funds and interest received by off-budget trust funds (subfunctions 902 and 903, respectively) and interest received from OCS escrow account (subfunction 908). Accordingly, the undistributed offsetting receipt totals included in tables by agency are larger by the amount of the interest received by trust funds and the interest received from OCS escrow account.

Description of the tables.—Each table in this part is described below and references to related data found elsewhere in the budget documents are provided. Information on the concepts used in the tables is included in Part 6b of this volume.

 Table 1, Summary, provides a general overview of budget authority, receipts, outlays, and surpluses or deficits for 1985– 1991

A summary of the Federal credit budget and information on the Federal debt is also provided. Detailed data related to these totals are contained in the following tables and throughout the budget.

- Table 2, Summary of current services and the President's proposals, provides a bridge between current services estimates of outlays and estimated outlays under the President's proposals for 1986-1989. Changes in outlays are shown by function. For further information on current services, see Special Analysis A, "Current Services Estimates", in the Special Analyses volume.
- Table 3, Receipts by source and outlays by agency 1985-91, displays data on the composition of receipts by source, the distribution of outlays by the Legislative and Judicial Branches and major agency in the Executive Branch, and the surpluses or deficits for these years.
- Table 4, Outlays by function, 1985-91, distributes outlays by function. Supporting data by subfunction from 1977-1987 is found in table 18. Part 5 of this volume provides detail at the program level for 1985-1989.
- Table 5, Credit budget: new direct loan obligations and guaranteed loan commitments by agency, displays new obligations for direct loans and new commitments for guaranteed loans by agency for 1985-1987. Direct loans that are guaranteed by Federal agencies and disbursed by the Federal Financing Bank are identified as FFB direct loans under the guaranteeing agencies. Additional information can be found in Parts 5 and 6c of this volume and Special Analysis F, "Federal Credit Programs", of the Special Analyses volume.

- Table 6, Federal Government financing and debt, shows the means of financing the Federal deficit, the gross debt held by Government accounts and the public, and the amount of debt subject to statutory limitation. Further data related to the totals are contained in Special Analysis E, "Borrowing and Debt", and Part 6a of this volume.
- Table 7, Full-time equivalent of Federal civilian employment, provides full-time equivalent employment estimates for the major departments and agencies of the Executive Branch for 1984-1988. For additional information, see Special Analysis I, "Civilian Employment in the Executive Branch", in the Special Analyses volume.
- Table 8, Budget authority by function, 1985-91, distributes budget authority by function. For detail at the program level, see Part 5 of this volume. For the subfunctional classification of budget authority in each account, see Part 6d of this volume.
- Table 9, Budget authority by agency, 1985-91, presents the distribution of budget authority by Legislative and Judicial Branches and major agency in the Executive Branch. For account level detail, see Part 6d of this volume.
- Table 10, Budget authority and outlays available with and without current action by Congress, presents budget authority, including supplemental requests, for 1985-1987 that requires congressional action during or immediately preceding the fiscal year in which it becomes available and ties budget authority and outlays available through current action to totals. Outlays resulting from current action are also displayed. The sequestration of 1986 budgetary resources is reflected in amounts available through current action by Congress. In most cases, off-budget (social security trust fund) amounts are available as the result of previously enacted legislation (substantive legislation or prior appropriations acts) and do not require further action by Congress. Therefore, they are included in the portion available without current action by Congress. The remaining off-budget amounts are included in the portion available through current action by Congress.
- Table 11, Relation of budget authority to outlays, provides a bridge from budget authority to net obligations incurred to outlays for 1985-1987. Data on off-budget amounts are included without separate identification. References to other tables in this section that provide detail on data shown in this table are included. A chart on the relation of budget authority to

outlays is shown in Part 6a of this volume.

- Table 12, Balances of budget authority, presents data on obligated and unobligated balances of budget authority for 1985-1987. Detailed information is available in a separate OMB report, "Balances of Budget Authority", which can be purchased from the National Technical Information Service shortly after the budget is transmitted.
- Table 13, Receipts by source, provides detailed data by source for 1985-1987 on receipts that are classified as governmental receipts. The totals of these receipts are compared with total outlays to calculate the Federal deficit. Information on governmental receipts is also included in table 17 and in part 4 of this volume.
- Table 14, Offsetting receipts by type, presents, by type, offsetting receipts for 1985-1987 that are deducted from gross disbursements to calculate outlays. Offsetting receipts data are also included in part 6d of this volume.
- Table 15, Legislative proposals for major new and expanded programs, projection of costs, provides a description of major legislative proposals and a projection of costs for 1986-1991.
- Table 16, Controllability of budget outlays, 1985-87, displays data classified as relatively uncontrollable and relatively controllable outlays.
- Table 17, Receipts by source, 1977-87, includes historical data on governmental receipts by source.
- Table 18, Outlays by function and subfunction, 1977-87, includes historical data on outlays by function and subfunction.
- Table 19, Federal finances and the gross national product, 1968-89, displays receipts, outlays, surpluses or deficits, and Federal debt and shows these amounts as percentages of the gross national product.
- Table 20, Composition of outlays in current prices, 1967-89, includes historical data on the composition of outlays in current dollars.
- Table 21, Composition of outlays in constant (fiscal year 1982) prices, 1967-89, includes historical data on the composition of outlays in constant dollars for the same categories shown in table 20.
- Table 22, Total receipts and outlays, 1789-1991, includes historical data and out-year estimates of total receipts, outlays, and surpluses or deficits. Beginning in 1937, data include amounts for social security trust funds that are off-budget under current law.
- Table 23, On-budget and off-budget receipts and outlays, 1937-91, provides historical data and out-year estimates of on- and off-budget components of total receipts, outlays, and surpluses or deficits shown in table 22.

Table 1. SUMMARY
(In billions of dollars)

		(111 011110111	o or oonars)				
Description	1985 actual			Estima	ate		
Description	1900 actual	1986	1987	1988	1989	1990	1991
		T01	TALS				
Budget authority	1,074.1	1,058.7	1,102.0	1,165.9	1,218.0	1,261.3	1,310.1
On-budget	(889.7)	(871.4)	(887.7)	(923.1)	(954.4)	(975.2)	(1,004.
Off-budget		(187.3)	(214.3)	(242.8)	(263.7)	(286.1)	(305.4
Receipts	734.1	777.1	850.4	933.2	996.1	1,058.1	1,124.0
On-budget		(579.2)	(636.1)	(690.4)	(732.5)		
Off-budget		(197.9)	(214.3)	(242.8)	(263.7)	(286.1)	(305.
Outlays		979.9	994.0	1,026.8	1,063.6	1,093.8	1,122.
On-budget	(769.5)	(795.2)	(795.4)	(817.1)	(843.8)	(862.1)	
Off-budget	(176.8)	(184.7)	(198.6)	(209.6)	(219.9)	(231.8)	(238.
Surplus or deficit (—)	<b>—212.3</b>	<b>—202.8</b>	-143.6	<b>-93.6</b>	67.5	-35.8	1.
On-budget	(-221.6)	(-216.0)	(-159.3)	(-126.8)	(-111.3)	(-90.1)	(-65.
Off-budget	(9.4)	(13.2)	(15.7)	(33.2)	(43.8)	(54.4)	(67.
		THE CRED	IT BUDGET				
New direct loan obligations New guaranteed loan	52.8	41.6	30.6	28.0	24.8	22.3	20.
commitments 1	84.7	93.8	79.8	81.7	83.3	84.8	85.
Total	137.6	135.5	110.3	109.7	108.1	107.0	105.
Change in outstandings:							
Direct loans	28.0	-4.1	-4.4	-3.2	-5.7	<b>—7.1</b>	<b>—4</b> .
Guaranteed loans 1	21.6	40.2	30.8	25.9	24.0	24.7	24.
Total	49.6	36.1	26.4	22.6	18.2	17.7	20.

#### FEDERAL DEBT <sup>2</sup>

	1004	1005			Estir	nate		
	1984 actual	1985 actual	1986	1987	1988	1989	1990	1991
Debt outstanding, end of year:								
Gross Federal debt	1,576.7	1,827.5	2,112.0	2,320.6	2,509.0	2,684.3	2,841.4	2,976.7
Held by:								
Government accounts	264.2	317.6	398.0	464.9	560.3	668.9	791.0	928.6
The public	1,312.6	1,509.9	1,714.0	1,855.7	1,948.7	2,015.4	2,050.3	2,048.1
(Federal Reserve System)	(155.1)	(169.8)						
(Others)	(1,157.5)	(1,340.1)						
MEMORANDUM								
Debt subject to statutory limitation	1,573.0	1,823.8	2,108.5	2,317.4	2,506.5	2,681.9	2,838.9	2,974.3

To avoid double counting, excludes guarantees (or commitments) of loans previously guaranteed or guarantees (or commitments) by one Government account of direct loans made by another Government account.

 For additional information on the Federal debt, see table 6, Part 6a of this volume, and Special Analysis E, "Borrowing and Debt".

<sup>\*</sup>Note — For all years, transactions of the social security trust funds are presented off-budget and transactions of formerly off-budget accounts are included on-budget.

Table 2. SUMMARY OF CURRENT SERVICES AND THE PRESIDENT'S PROPOSALS

[In billions of dollars]

							Estimates						
	1985 actual		Current services	services			President's proposals	proposals			Change from c	Change from current services	
		1986	1987	1988	1989	1986	1987	1988	1989	1986	1987	1988	1989
Receipts by source: Individual income taxes Corporation income taxes	334.5	354.0 70.9	385.8 86.5	426.2 100.2	456.3 110.0	353.7 70.9	386.0	425.9 101.2	455.5 111.8	-0.3	0.1	-0.3 1.1	-0.8 1.8
Social insurance taxes and contribu- tions tions On-budget Off-budget Excise taxes	265.2 (79.0) (186.2) 36.0	280.4 (82.5) (197.9) 33.6	301.4 (87.4) (214.0) 32.0	333.4 (90.8) (242.6) 30.1	355.9 (93.1) (262.8) 29.3	280.4 (82.5) (197.9) 34.6	302.8 (88.5) (214.3) 35.2	335.0 (92.1) (242.8) 33.4	358.1 (94.5) (263.7) 32.7	1.0	1.5 (1.2) (0.3) 3.2	1.6 (0.2) 3.3	2.3 (0.9) 3.4
Estate and gift taxes Customs duties Other	6.4 12.1 18.5	6.1 12.4 19.0	5.6 12.9 19.8	13.6 18.5	5.1 14.1 18.5	6.1 12.4 19.0	5.7 12.9 21.1	5.4 13.6 18.7	5.1 14.1 18.7		1.2	0.2	0.2
Total On-budget Off-budget	734.1 (547.9) (186.2)	776.5 (578.5) (197.9)	844.1 (630.1) (214.0)	<b>927.3</b> (684.7) (242.6)	989.2 (726.4) (262.8)	(579.2) (197.9)	850.4 (636.1) (214.3)	933.2 (690.4) (242.8)	996.1 (732.5) (263.7)	(0.7)	<b>6.3</b> (6.0) (0.3)	<b>5.9</b> (5.7) (0.2)	<b>6.9</b> (6.1) (0.9)
Outlays by function: National defense International affairs General science, space, and technology	252.7 16.2 8.6	265.8 17.1 8.9	284.9 17.1 9.0	303.7	328.6 16.5 9.8	265.8 17.1 8.9	282.2 18.6 9.2	299.1 18.3 9.3	322.3 18.0 10.2	0   0	-2.7 1.5 0.2	- 4.5 1.3 0.3	0.3 0.3
Natural resources and environment Agriculture Commerce and housing credit Transportation	13.4 25.6 4.2 25.8	25.9 27.2 27.2	12.6 21.5 2.9 26.9	22.9 21.4 6.6 26.7	13.0 21.1 3.5 27.5	25.9 25.9 3.8 27.1	12.0 19.5 1.4 25.5	11.8 19.7 24.1 5.5	23.4 23.4 23.4	1	0.6   1.6   1.4	2.6	
Education, training, employment, and social services Health	29.3 33.5 65.8 128.2 188.6	31.0 35.9 35.9 119.6 200.0	30.7 38.7 74.9 123.4 212.2	31.4 41.4 83.8 130.4 226.2 6.4)	32.1 44.1 93.7 134.6 240.1	30.7 35.7 68.7 118.1 200.1	27.4 35.0 70.2 118.4 212.2	26.3 36.7 76.0 123.1 226.1	26.4 37.9 37.9 83.0 125.7 239.9	- 1.5 - 1.5 - 1.5	- 3.3 - 4.7 - 5.0	-5.1 -7.7 -7.2 -0.1	- 5.7 - 10.6 - 8.9 - 0.2 *)

$\begin{pmatrix} (-0.2) \\ -1.6 \\ - \\ 0.7 \\ -0.4 \end{pmatrix}$	-6.8 (-6.8) (-*)	-2.1	0.4	-1.7	-1.7	0.1	-1.5	-3.1	- <b>64.5</b> (-64.4) (-0.1)	71.4 (70.4) (1.0)	- <b>67.4</b> (-68.3) (0.9)
(-0.1) -1.11 -1.11 -0.14	-3.6 (-3.6) (-*)	-1.3	0.4	-0.8	-1.5	*	-4.2	-5.6	- <b>50.5</b> (-50.4) (-0.1)	<b>56.4</b> (56.1) (0.3)	- <b>54.8</b> (-55.0) (0.2)
(*) -0.7 -0.4 -1.1	$\begin{pmatrix} -1.2 \\ (-1.2) \\ (-*) \end{pmatrix}$	-1.0	0.3	-0.7	-1.2	*	-1.2	-2.4	-31.9 $(-32.0)$ $(0.1)$	<b>38.2</b> (38.0) (0.2)	<b>40.4</b> (40.7) (0.3)
(*) -0.1 0.6	1.2 (1.2)						-1.2	-1.2	-21 (-21) (*)	2.8 (2.8) (-*)	(
(232.7) 26.9 7.1 6.1 1.9	136.0 (144.7) (-8.7)	3.1	0.4	3.5	-31.7	-4.2	- 6.4 - 2.0	-43.8	1,063.6 (843.8) (219.9)	<b>67.5</b> (111.3) (43.8)	1,218.0 (954.4) (263.7)
(219.7) 26.9 7.0 5.7 1.8	145.1 (151.4) (-6.3)	1.9	0.4	2.4	-30.5	-3.7	-8.2 -4.2	-46.4	1,026.8 (817.1) (209.6)	<b>93.6</b> (126.8) (33.2)	1,165.9 (923.1) (242.8)
(206.5) 26.4 6.9 6.1 1.7	148.0 (152.7) (-4.7)	0.4	0.3	0.8	- 28.5	-3.2	5.3 1.2	-38.1	<b>994.0</b> (795.4) (198.6)	- <b>143.6</b> (-159.3) (15.7)	1,102.0 (887.7) (214.3)
(192.0) 26.6 6.8 6.3 6.3	142.7 (147.2) (-4.4)				-26.3	-2.8	-5.5 -1.2	-35.8	979.9 (795.2) (184.7)	- <b>202.8</b> (-216.0) (13.2)	1,058.7 (871.4) (187.3)
(232.9) 28.5 7.1 5.4 2.3	142.8 (151.5) (—8.6)	5.3		5.3	-30.0	-4.3	-6.4	-40.7	1,128.1 (908.1) (220.0)	- <b>138.9</b> (-181.7) (42.8)	1,285.5 (1,022.7) (262.8)
(219.8) 28.0 7.0 5.5 2.2	148.7 (155.0) (-6.3)	3.2		3.2	-28.7	- 3.8	-8.2	-40.7	(867.6)	- <b>150.0</b> (-182.9) (32.9)	1,220.7 (978.1) (242.6)
(206.5) 27.1 6.9 6.5 6.5 2.8	149.2 (153.9) (-4.7)	1.4		1.4	-27.3	-3.2	- 5.3	-35.8	- <b>1,025.9</b> (827.4) (198.6)	- <b>181.8</b> (-197.2) (15.4)	1,142.4 (928.4) (214.0)
(192.0) 26.6 6.9 5.7 6.2	141.5 (145.9) (-4.4)				-26.3	-2.8	5.5	-34.6	982.0 (797.3) (184.7)	- <b>205.6</b> (-218.8) (13.2)	1,066.4 (879.1) (187.3)
(183.4) 26.4 6.3 5.2 6.4	129.4 (133.6) (-4.1)				-24.7	-2.5	-5.5	-32.8	946.3 (769.5) (176.8)	(-221.6) (-221.6) (9.4)	1,074.1 (889.7) (184.3)
Off-budget	Net interest On-budget Off-budget	Allowances: Civilian agency pay raises	Confingencies for other requirements Contingencies for uncontrollable pro-	Total, allowances	Undistributed offsetting receipts: Employer share, employee retirement (on-budget)	<b>=</b> : .	Continental Shelf Sale of major physical assets Sale of Major phys	Total, undistributed offsetting re- ceipts	Total outlays On-budget Off-budget	Surplus or deficit (—) On-budget	ADDENDUM Budget authority On-budget Off-budget

\*\$50 million or less.

Table 3. RECEIPTS BY SOURCE AND OUTLAYS BY AGENCY, 1985-91

(In billions of dollars)

	1005			Estim	iate		
	1985 actual	1986	1987	1988	1989	1990	1991
Receipts by source:							
Individual income taxes	334.5	353.7	386.0	425.9	455.5	482.0	516.3
Corporation income taxes	61.3	70.9	86.7	101.2	111.8	119.7	125.6
Social insurance taxes and	02.0	, 0.0	00	-01.2		110.7	120.0
contributions	265.2	280.4	302.8	335.0	358.1	384.1	407.7
On-budget	(79.0)	(82.5)	(88.5)	(92.1)	(94.5)	(97.9)	(102.3)
Off-budget	(186.2)	(197.9)	(214.3)	(242.8)	(263.7)	(286.1)	(305.4)
Excise taxes	36.0	34.6	35.2	33.4	32.7	33.2	33.6
Estate and gift taxes	6.4	6.1	5.7	5.4	5.1	5.4	5.8
	12.1	12.4	12.9	13.6	14.1	14.7	15.4
Customs duties	18.5	19.0	21.1	18.7	18.7	19.0	19.6
Miscellaneous receipts	10.3	19.0	21.1	10./	10./	13.0	15.0
Total receipts	734.1	777.1	850.4	933.2	996.1	1,058.1	1,124.0
On-budget	(547.9)	(579.2)	(636.1)	(690.4)	(732.5)	(771.9)	(818.6
Off-budget	(186.2)	(197.9)	(214.3)	(242.8)	(263.7)	(286.1)	(305.4
Outlays by agency:	(/	(/	(==,	(= :=:-/	(/	(/	,
Legislative branch	1.6	1.9	2.0	2.0	2.0	2.1	2.1
The Judiciary	1.0	1.1	1.2	1.2	1.3	1.3	1.3
Executive Office of the	2.0						
President	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Funds appropriated to the	0.1	0.1	0.1	0.1	0.1	0.1	0.1
President	12.0	12.5	13.8	13.4	12.8	12.1	12.2
	55.5	54.2	44.6	44.6	43.6	39.9	35.8
Agriculture	2.1	2.0	2.1	2.2	2.1	2.5	2.2
Commerce				290.7	313.3	335.5	356.6
Defense—Military 1	245.4	258.4	274.3				25.7
Defense—Civil	18.8	20.6	20.9	22.1	23.4	24.5	14.0
Education	16.7	17.8	15.4	14.4	14.6	14.2	
Energy	10.6	10.1	10.2	11.7	12.3	12.6	13.1
Health and Human Services,		1400	100.1	140.0	157.5	1000	175 2
except social security	132.1	140.9	139.1	148.8	157.5	166.0	175.3
Health and Human Services,					0007	047.4	057.0
social security	183.4	192.0	206.5	219.7	232.7	247.4	257.0
Housing and Urban							
Development	28.7	15.2	13.9	13.3	12.4	12.5	12.7
Interior	4.8	4.6	4.3	4.2	4.1	4.1	4.0
Justice	3.6	3.8	4.1	4.2	4.2	4.2	4.3
Labor	23.9	23.1	23.2	23.7	23.8	24.0	24.2
State	2.6	2.9	3.6	3.7	4.1	4.2	4.0
Transportation	25.0	26.3	24.7	23.3	22.6	22.9	22.2
Treasury	165.1	184.7	188.3	193.1	188.4	181.9	176.9
Environmental Protection							
Agency	4.5	4.6	4.5	4.4	4.4	4.1	3.6
General Services							ŀ
Administration	-0.2	*	_*	-0.9	-0.3	-0.3	-0.4
National Aeronautics and	"-						
Space Administration	7.3	7.3	7.5	7.5	8.2	9.0	9.5
	7.5	1 7.0	1		0.2		
Office of Personnel  Management	23.7	24.1	24.7	26.2	27.4	28.5	29.6
Small Business Administration .		0.9	0.1	20.2	27.7	20.0	
		26.5	26.4	26.7	26.7	27.0	27.0
Veterans Administration		10.9	10.1	12.6	8.5	7.9	7.9
Other independent agencies	9.6	10.9	0.8	2.4	3.5	4.7	5.9
Allowances 2			0.0	2.4	3.5	7.7	J. 3
Undistributed offsetting	50.0	67.1	70.5	00 €	<b>—90.2</b>	99.1	-104.2
receipts	. — 59.0	-67.1	<b>—72.5</b>	-88.6	- 30.2		- 104.2
Total outlays	946.3	979.9	994.0	1,026.8	1,063.6	1,093.8	1,122.7

Table 3. RECEIPTS BY SOURCE AND OUTLAYS BY AGENCY, 1985-91-Continued

(In billions of dollars)

	1985 actual			Estir	nate		
-	1905 actual	1986	1987	1988	1989	1990	1991
On-budget	(769.5)	(795.2)	(795.4)	(817.1)	(843.8)	(862.1)	(884.3)
Off-budget	(176.8)	(184.7)	(198.6)	(209.6)	(219.9)	(231.8)	(238.5)
Surplus or							
deficit ( — )	-212.3	- 202.8	<b>— 143.6</b>	<b>-93.6</b>	<b>— 67.5</b>	35.8	1.3
On-budget	(-221.6)	(-216.0)	(-159.3)	(-126.8)	(-111.3)	(-90.1)	(-65.6)
Off-budget	(9.4)	(13.2)	(15.7)	(33.2)	(43.8)	(54.4)	(67.0)

<sup>\*\$50</sup> million or less.

Includes allowances for civilian and military pay raises for Department of Defense.

Includes allowances for civilian agency pay raises and military pay raises for the Coast Guard.

Table 4. OUTLAYS BY FUNCTION, 1985-91

(In billions of dollars)

		(III DIIIIO	is of dollars)				
	1985			Estin	nate		
	actual	1986	1987	1988	1989	1990	1991
050 National defense Department of Defense—	252.7	265.8	282.2	299.1	322.3	344.8	366.3
Military	(245.4)	(258.4)	(274.3)	(290.7)	(313.3)	(335.5)	(356.6)
Other	(7.4)	(7.4)	(8.0)	(8.4)	(9.0)	(9.3)	(9.7)
150 International affairs	16.2	17.1	18.6	18.3	18.0	17.5	17.7
250 General science, space,							
and technology	8.6	8.9	9.2	9.3	10.2	11.0	11.7
270 Energy	5.7	4.4	4.0	4.5	3.9	3.7	3.9
300 Natural resources and	10.4	10.0	10.0	11.0	11.7	11.0	10.7
environment	13.4	12.9	12.0	11.8 19.7	11.7 18.9	11.2 15.4	10.7
350 Agriculture	25.6	25.9	19.5	19.7	10.9	15.4	11.4
370 Commerce and housing credit	4.2	3.8	1.4	3.8	-0.5	-1.0	-1.8
400 Transportation	25.8	27.1	25.5	24.1	23.4	23.7	23.1
450 Community and regional	20.0	27.1	20.0	22	20.1	20.7	20.1
development	7.7	7.9	6.5	5.5	5.0	5.2	5.2
500 Education, training,							
employment, and social					· ·		
services	29.3	30.7	27.4	26.3	26.4	26.0	26.0
550 Health	33.5	35.7	35.0	36.7	37.9	39.4	40.7
570 Medicare	65.8	68.7	70.2	76.0	83.0	90.5	98.4
600 Income security	128.2	118.1	118.4	123.1	125.7	128.3	132.5
650 Social security	188.6	200.1	212.2	226.1	239.9	254.7	263.5
On-budget	(5.2)	(8.0)	(5.7)	(6.4)	(7.2)	(7.4)	(6.5)
Off-budget 700 Veterans benefits and	(183.4)	(192.0)	(206.5)	(219.7)	(232.7)	(247.4)	(257.0)
services	26.4	26.6	26.4	26.9	26.9	27.2	27.1
750 Administration of justice		6.8	6.9	7.0	7.1	7.1	7.2
800 General government	5.2	6.3	6.1	5.7	6.1	5.9	5.6
850 General purpose fiscal							
assistance		6.2	1.7	1.8	1.9	2.0	2.0
900 Net interest	129.4	142.7	148.0	145.1	136.0	125.6	115.9
On-budget		(147.2)	(152.7)	(151.4)	(144.7)	(136.4)	(129.1)
Off-budget	(-4.1)	(-4.4)	(-4.7)	(-6.3)	(—8.7)	(-10.8)	(13.3)
920 Allowances:		'	0.4	1.9	3.1	4.3	5.6
Civilian agency pay raises Increased employer share.			0.4	1.9	3.1	4.5	5.0
employee retirement			0.3	0.4	0.4	0.4	0.3
950 Undistributed offsetting			0.0	0.7	0.1	0.1	0.0
receipts:							
Employer share, employee							
retirement (on-budget)	<b>—24.7</b>	<b>— 26.3</b>	<b>— 28.5</b>	<b>—30.2</b>	<b>—31.7</b>	-33.1	<b>— 34.4</b>
Employer share, employee				0.7	4.0	4.0	
retirement (off-budget)	-2.5	<b>—2.8</b>	—3.2	-3.7	<b>—4.2</b>	<b> 4.8</b>	-5.3
Rents and royalties on the	-5.5	<b>—</b> 5.5	- 5.3	-8.2	6.4	-5.6	-5.6
Outer Continental Shelf Sale of major physical	- 5.5	- 5.5	- 3.3	-0.2	0.4	- 5.0	- 3.0
assets (proposed)		-1.2	-1.2	<b>—4.2</b>	-1.5	-5.8	4.8
		1.2					
Total undistributed	20.0	25.0	20.1	AC A	42.0	_49.3	-50.1
offsetting receipts	-32.8	-35.8	-38.1	-46.4 $(-42.6)$	-43.8 $(-39.6)$	(-49.5)	(-44.9)
On-budget	. ( — 30.3)	(-32.9) (-2.8)	(-35.0)	(-42.0)	(-33.0)	(-44.3)	(-5.3)
Off-budget	(-2.3)	(-2.0)	(-3.2)	(-3.7)	(-4.2)	(-7.0)	(-0.0)
Total outlays	946.3	979.9	994.0	1,026.8	1,063.6	1,093.8	1,122.7
On-budget		(795.2)	(795.4)	(817.1)	(843.8)	(862.1)	(884.3)
Off-budget		(184.7)	(198.6)	(209.6)	(219.9)	(231.8)	(238.5)
	1	L	L		L		

Table 5. CREDIT BUDGET: NEW DIRECT LOAN OBLIGATIONS AND GUARANTEED LOAN COMMITMENTS BY AGENCY

(In millions of dollars)

	Direc	ct Loan Obligat	ions	Guarante	ed Loan Comm	itments
Department or other unit	1985 actual	1986 estimate	1987 estimate	1985 actual	1986 estimate	1987 estimate
Funds Appropriated to the President	6,339	6,532	7,260	310	282	150
Agriculture	21,256	23,805	14,425	3,910	7,231	5,500
FFB direct loans	2,063	2,019	1,815			
Commerce	106	20	16	53	57	3
Defense: FFB direct loans	1,533	495				
Education	1,315	1,261	1,567	8,888	9,269	9,756
Energy	12	33	20			
Health and Human Services	10	21	22	271	389	100
Housing and Urban Development 1	15,072	2,013	2,046	47,441	49,336	37,16
FFB direct loans	133	50				
Interior	74	66	66	42	60	30
Labor	1	2	3			
State	1	1	1			
Transportation	443	570	168	38	67	
FFB direct loans	2	4				
Treasury	60					
Environmental Protection Agency	31	32	2			
Small business assistance	1,017	962	751	2,810	2,950	
FFB direct loans	525	514	300			
Veterans Administration	1,090	1,126	1,166	12,140	12,299	14,71
Other independent agencies:						
Export-Import Bank	660	1,062		7,849	11,484	12,000
Federal Deposit Insurance Corporation		130	110	·············		
Federal Savings and Loan Insurance Corpo-						
ration (FHLBB)	783	500	500	900	426	35
National Credit Union Administration	50	102	81	*		
Tennessee Valley Authority	63	66	69			
FFB direct loans	206	248	167			
United States Synthetic Fuels Corporation				60		
Total	52,847	41,634	30,555	84,711	93,850	79,76
ADDENDUM Secondary guaranteed loans 1				54,597	60,463	55,35

Note: Loans guaranteed by Federal agencies and disbursed by the Federal Financing Bank (FFB) are identified in this table as FFB direct loans.

<sup>\*\$500,000</sup> or less.

¹ Commitments by GNMA to guarantee securities that are backed by loans previously insured or guaranteed by the Federal Housing Administration, Veterans Administration, or Farmers Home Administration (secondary guarantees) are excluded from the totals and shown as a memorandum entry.

# Table 6. FEDERAL GOVERNMENT FINANCING AND DEBT

(In billions of dollars)

## FINANCING

	1985 actual			Esti	nate		
	1363 actual	1986	1987	1988	1989	1990	1991
Surplus or deficit ( — ) On-budget Off-budget		-202.8 (-216.0) (13.2)	-143.6 (-159.3) (15.7)	-93.6 (-126.8) (33.2)	-67.5 (-111.3) (43.8)		1.3 (-65.6) (67.0)
Means of financing other than borrowing from the public: Decrease or increase (—) in Treasury operating cash balance Increase or decrease (—) in: Checks outstanding, etc.¹	13.4 -1.0 2.1	-2.9 .4 .7	1.5 1				
Seigniorage on coins	.5	.4	.5	.6	.8	.8	.9
Total, means of financing other than borrowing from the public  Total, requirements for borrowing	15.0	1.4	2.0	.6	.8	.8	.9
from the public	<b>— 197.3</b>	<b>—204.2</b>	-141.7	<b>-93.0</b>	-66.8	_34.9	2.2
Change in debt held by the public	197.3	204.2	141.7	93.0	66.8	34.9	2.2
		DEBT, E	END OF YEA	AR			
Gross Federal debt:  Debt issued by Treasury  Debt issued by other	1,823.1	2,107.8	2,316.7	2,507.0	2,682.3	2,839.4	2,974.7
agencies	4.4	4.2	4.0	2.0	2.0	2.0	2.0
Total, gross Federal debt  Held by:  Government accounts  The public  Federal Reserve	1,827.5 317.6 1,509.9	2,112.0 398.0 1,714.0	2,320.6 464.9 1,855.7	2,509.0 560.3 1,948.7	2,684.3 668.9 2,015.4	2,841.4 791.0 2,050.3	2,976.7 928.6 2,048.1
System Others	169.8 1,340.1						

# Table 6. FEDERAL GOVERNMENT FINANCING AND DEBT—Continued

(In billions of dollars)

# DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

	1985 actual		Estimate						
	1985 actual	1986	1987	1988	1989	1990	1991		
Debt issued by Treasury Treasury debt not subject to	1,823.1	2,107.8	2,316.7	2,507.0	2,682.3	2,839.4	2,974.7		
limitation (—)	6	6	6	6	6	6	6		
limitation	1.3	1.3	1.3	.1	.1	.1	.1		
Total, debt limita- tion <sup>2</sup>	1,823.8	2,108.5	2,317.4	2,506.5	2,681.9	2,838.9	2,974.3		

<sup>Besides checks outstanding, includes accrued interest payable on Treasury debt, miscellaneous liability accounts, allocations of special drawing rights, and, as an offset, cash and monetary assets other than the Treasury operating cash balance, miscellaneous asset accounts, and profit on sale of gold.

The statutory debt limit is \$2,078.7 billion (Public Law 99–177).</sup> 

Table 7. FULL-TIME EQUIVALENT OF FEDERAL CIVILIAN EMPLOYMENT 1

			Fiscal year		
	1985 actual <sup>2</sup>	1986 estimate	1987 estimate	1988 estimate	difference 86–87
Agriculture	106,658	108,750	98,500	96,570	-10,250
Commerce	32,790	34,440	33,830	37,643	610
Defense—civil functions	28,681	28,548	28,348	28,348	200
Education	4,876	4,579	4,500	4,500	79
Energy	16,257	16,218	15,721	12,005	497
Health and Human Services	132,501	128,483	123,636	118,674	4,847
Housing and Urban Development	12,101	11,720	11,288	10,916	- 432
Interior	72,166	72,015	70,305	69,955	1,710
Justice	60,852	64,266	65,820	66,028	1,554
Labor	18,176	18,549	18,155	18,060	<b>—394</b>
State	24,788	26,088	26,937	27,122	849
Transportation	61,044	60,938	58,981	57,164	-1,957
Treasury	127,442	126,467	129,587	132,345	3,120
Environmental Protection Agency	12,459	13,361	13,161	13,090	200
National Aeronautics and Space Administration	21,991	21,800	21,800	21,800	
Veterans Administration	221,292	221,051	212,066	204,662	-8,985
Other:					
Agency for International Development	4,969	4,875	4,825	4,700	-50
General Services Administration	25,254	25,406	22,635	22,297	-2,771
Nuclear Regulatory Commission	3,498	3,491	3,369	3,369	-122
Office of Personnel Management	5,666	5,510	5,419	5,029	-91
Panama Canal Commission	8,215	8,300	8,300	8,300	
Small Business Administration	4,177	4,219	707	0	3,512
Tennessee Valley Authority	31,098	31,000	31,000	31,000	
United States Information Agency	8,572	9,120	9,280	9,369	160
Miscellaneous	39,582	41,430	40,822	40,552	-608
Estimated nondefense lapse		-8,180	•••••		8,180
Civilian agency employment	1.085,105	1,082,444	1.058.992	1,043,498	-23,452
Defense—military functions <sup>3</sup>	-,,	1,034,375	1,037,113	1,037,356	2,738
Subtotal	2,121,975	2,116,819	2,096,105	2,080,854	-20,714
Postal Service Employment 4		717,694	736,852	764,852	19,158
Total, Executive Branch	2,814,723	2,834,513	2,832,957	2,845,706	-1,556

Excludes developmental positions under the Worker-Trainee Opportunity Program (WTOP) as well as certain statutory exemptions.
 Oata are estimated for portions of Defense-civil functions as well as for the Federal Reserve System, Board of Governors and the International Trade Commission.
 Section 904 of the 1982 Defense Authorization Act (Public Law 97–86) exempts the Department of Defense from full-time equivalent employment controls. Oata shown are estimated.
 Includes the Postal Rate Commission.

Table 8. BUDGET AUTHORITY BY FUNCTION, 1985-91

	1985		-	Estin	nate		
	1985 actual	1986	1987	1988	1989	1990	1991
050 National defenseDepartment of Defense—Mili-	294.7	286.1	320.3	341.6	363.2	384.8	405.9
tary Other	(286.8) (7.9) 26.5	(278.4) (7.7) 20.8	(311.6) (8.7) 22.6	(332.4) (9.2) 21.5	(353.5) (9.7) 21.5	(374.7) (10.1) 20.9	(395.5) (10.4) 20.8
250 General science, space, and technology	9.2 8.8	8.8 5.8	9.5 4.4	10.0 5.3	11.0	11.5 4.7	12.1 4.7
300 Natural resources and envi- ronment	13.3	12.0	10.9	10.6	10.0	9.4	9.4
350 Agriculture370 Commerce and housing credit 400 Transportation	27.5 12.1 29.6	28.1 8.7 27.6	19.6 10.2 22.6	22.3 8.7 22.4	22.6 6.5 22.5	18.4 7.6 22.6	13.6 7.1 22.7
450 Community and regional development	8.2	6.8	3.8	5.0	4.8	5.5	5.5
ment, and social services	32.4 33.6	28.6 35.4	27.0 35.3	26.6 36.5	26.6 38.0	26.1 39.4	26.0 40.8
570 Medicare	71.7 164.1 199.5	86.7 151.4 199.4	82.3 153.3 227.9	89.8 163.3 259.2	98.1 166.0 283.7	105.8 171.2 309.1	112.7 183.5 330.5
On-budget	(8.5) (191.0) 27.4	(4.8) (194.6) 27.4	(5.7) (222.2) 26.7	(6.4) (252.8) 27.3	(7.2) (276.5) 27.5	(7.4) (301.8) 27.8	(6.5) (324.0) 27.9
750 Administration of justice	6.7 6.0	6.6 6.4	7.1 6.2	7.2 5.7	7.3 6.1	7.4 6.0	7.5 5.7
ance	6.3 129.4 (133.6) (-4.1)	5.2 142.7 (147.2) (4.4)	1.7 148.0 (152.7) (4.7)	1.8 145.1 (151.4) (-6.3)	1.9 136.0 (144.7) (-8.7)	2.0 125.6 (136.4) (10.8)	2.0 115.9 (129.1) (—13.3
920 Allowances: Civilian agency pay raises	, ,	, ,	0.4	2.0	3.2	4.4	5.6
Increased employer share, em- ployee retirement			0.3	0.4	0.4	0.4	0.3
Total allowances			0.8	2.4	3.6	4.7	6.0
Employer share, employee re- tirement (on-budget) Employer share, employee re-	<b>—24.7</b>	<b>— 26.3</b>	<b>— 28.5</b>	30.2	-31.7	-33.1	_34.4
tirement (off-budget)	2.5	2.8	-3.2	-3.7	<b> 4.2</b>	4.8	-5.3
Rents and royalties on the Outer Continental Shelf	<b>— 5.5</b>	5.5	5.3	<b>—8.2</b>	6.4	5.6	- 5.6
Sale of major physical assets (proposed)		-1.2	-1.2	-4.2	-1.5	5.8	-4.8
Total undistributed offsetting receiptsOn-budget	(-30.3)	$ \begin{array}{c c} -35.8 \\ (-32.9) \\ (-2.8) \end{array} $	-38.1 (-35.0) (-3.2)	- 46.4 (- 42.6) (- 3.7)	-43.8 (-39.6) (-4.2)	-49.3 (-44.5) (-4.8)	- 50.1 (-44.9 (-5.3
Total budget authority On-budget Off-budget	1, <b>074</b> .1 (889.7)	1,058.7 (871.4) (187.3)	1,102.0 (887.7) (214.3)	1,165.9 (923.1) (242.8)	1,218.0 (954.4) (263.7)	1,261.3 (975.2) (286.1)	1,310.1 (1,004.7 (305.4

Table 9. BUDGET AUTHORITY BY AGENCY, 1985-91

Department or other unit			(In billion:	s of dollars)				
Legislative Branch		1085			Estim	ate		
The Juricinary	Department or other unit	Actual	1986	1987	1988	1989	1990	1991
The Juricinary	Legislative Branch	1.7	1.8	20	20	20	21	21
President								
Funds Appropriated to the President		0.1			0.1			
President 20.5 15.3 15.6 14.7 14.4 14.1 13.9 Agriculture 6.1.9 56.7 45.8 48.8 49.1 45.3 40.5 Commerce 2.3 1.9 1.8 1.9 1.9 2.8 1.8 Delense—Military 286.8 278.4 311.6 33.24 353.5 374.7 395.5 Delense—Military 1 286.8 278.4 311.6 33.24 353.5 374.7 395.5 Delense—Civil 30.4 34.0 36.6 39.2 41.8 44.5 46.9 Education 19.1 16.7 15.2 14.9 14.7 14.1 14.0 Energy 12.6 9.9 10.3 12.1 12.7 13.1 13.6 Health and Human Services, except Social Security 141.1 154.5 151.0 162.3 172.6 181.2 189.7 Health and Human Services, Social Security 141.1 154.5 151.0 162.3 172.6 181.2 189.7 Health and Human Services, Social Security 141.1 154.5 151.0 162.3 172.6 181.2 189.7 Health and Human Services, Social Security 15.0 194.6 222.2 252.8 276.5 301.8 324.0 Housing and Urban Development 31.4 10.7 5.5 10.0 9.7 10.4 16.8 11.6 trior		0.1	0.1	0.1	0.1	0.1	0.1	0.1
Agriculture		20.5	15.3	15.6	14.7	14.4	14.1	13.9
Defense—Military 1         286.8         278.4         311.6         332.4         353.5         374.7         395.5           Defense—Civil         30.4         34.0         36.6         39.2         41.8         44.5         46.9           Education         19.1         16.7         15.2         14.9         14.7         14.1         14.0           Health and Human Services, except Social Security         141.1         154.5         151.0         162.3         172.6         181.2         189.7           Health and Human Services, except Social Security         191.0         194.6         222.2         252.8         276.5         301.8         324.0           Housing and Urban Development         31.4         10.7         5.5         10.0         9.7         10.4         16.8           Interior         5.0         4.3         3.9         4.0         4.0         4.1         4.0           Justice         3.8         3.8         4.3         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.0         3.9         17.7         27.2         28.5         27.5         26.2         27.0         27.5         21.0         21.8         21.		61.9	56.7	45.8				
Defense—Civil.         30.4         34.0         36.6         39.2         41.8         44.5         46.5         detection         19.1         16.7         15.2         14.9         14.7         14.1         14.0         14.1         14.0         14.1         14.0         14.1         14.0         14.1         14.7         14.1         14.1         14.0         14.1         15.2         14.9         14.7         14.1         14.0         14.1         14.0         14.1         15.5         15.0         162.3         172.6         181.2         189.7           Health and Human Services, Social Security.         191.0         194.6         222.2         252.8         276.5         301.8         324.0           Housing and Urban Development.         31.4         10.7         5.5         10.0         9.7         10.4         16.8           Interior         5.0         4.3         3.9         4.0         4.0         4.1         4.0           Justice         3.8         3.8         4.3         4.3         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4         4.4 <td>Commerce</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Commerce							
Education	Defense Civil							
Energy								
Except Social Security	Energy			10.3	12.1	12.7	13.1	13.6
Health and Human Services, Social Security.   191.0   194.6   222.2   252.8   276.5   301.8   324.0		141.1	1545	151.0	162.2	170 6	101.2	100.7
Social Security		141.1	154.5	151.0	102.5	1/2.0	101.2	105.7
Development		191.0	194.6	222.2	252.8	276.5	301.8	324.0
Interior		01.4	10.7		100	0.7	10.4	100
State								
Labor								
Transportation			27.2	28.5	27.5			
Treasury								
Environmental Protection   Agency								
Agency         4.3         4.6         4.2         3.6         2.9         2.3         2.3           General Services         Administration         0.3         0.2         0.2         -0.3         0.1         0.1         0.1           National Aeronautics and Space Administration         7.6         7.3         7.7         8.1         9.0         9.4         9.9           Office of Personnel Management         41.6         42.9         46.6         49.6         51.8         53.3         55.1           Small Business Administration         27.3         27.0         26.6         27.2         27.4         27.8         27.8           Other Independent Agencies         15.5         17.0         15.7         16.5         13.8         13.9         14.1           Allowances:         Civilian agency pay raises 2.         0.4         2.0         3.2         4.4         5.6           Increased employer share, employer share, employer retirement.         0.3         0.4         0.4         0.4         0.3           Undistributed offsetting receipts:         0.8         2.4         3.6         4.7         6.0           Undistributed offsetting receipts:         0.4         -2.6.7         -29.6         -33.5		100.5	104.0	130.5	133.1	100.0	102.1	170.0
Administration         0.3         0.2         0.2         -0.3         0.1         0.1         0.1           National Aeronautics and Space Administration         7.6         7.3         7.7         8.1         9.0         9.4         9.9           Office of Personnel Management         41.6         42.9         46.6         49.6         51.8         53.3         55.1           Small Business Administration         27.3         27.0         26.6         27.2         27.4         27.8         27.8           Veterans Administration         27.3         27.0         26.6         27.2         27.4         27.8         27.8           Other Independent Agencies         15.5         17.0         15.7         16.5         13.8         13.9         14.1           Allowances:         0.4         2.0         3.2         4.4         5.6           Increased employer share, employer retirement         0.3         0.4         0.4         0.4         0.3           Total allowances         0.8         2.4         3.6         4.7         6.0           Undistributed offsetting received by off-budget trust funds         -22.1         -26.7         -29.6         -33.5         -36.7         -39.0         -40.8	Agency	4.3	4.6	4.2	3.6	2.9	2.3	2.3
National Aeronautics and Space Administration		0.2	0.2	0.2	0.2	0.1	0.1	0.1
Space Administration		0.5	0.2	0.2	-0.5	0.1	0.1	0.1
Management         41.6         42.9         46.6         49.6         51.8         53.3         55.1           Small Business Administration         1.3         0.9         0.1         27.2         27.4         27.8         27.8           Other Independent Agencies         15.5         17.0         15.7         16.5         13.8         13.9         14.1           Allowances:         Civilian agency pay raises 2         0.4         2.0         3.2         4.4         5.6           Increased employer share, employee retirement         0.3         0.4         0.4         0.4         0.3           Undistributed offsetting receipts:         1nterest received by off-budget trust funds         -22.1         -26.7         -29.6         -33.5         -36.7         -39.0         -40.8           Interest received by off-budget trust funds         -4.1         -4.4         -4.7         -6.3         -8.7         -10.8         -13.3           Interest received by OCS escrow account         -*         -0.3         -28.5         -30.2         -31.7         -33.1         -34.4           Employer share, employee retirement (on-budget)         -24.7         -26.3         -28.5         -30.2         -31.7         -33.1         -34.4		7.6	7.3	7.7	8.1	9.0	9.4	9.9
Small Business Administration         1.3         0.9         0.1         27.2         27.4         27.8         27.8           Other Independent Agencies         15.5         17.0         15.7         16.5         13.8         13.9         14.1           Allowances:         Civilian agency pay raises 2         0.4         2.0         3.2         4.4         5.6           Increased employer share, employee retirement         0.3         0.4         0.4         0.4         0.3           Total allowances         0.8         2.4         3.6         4.7         6.0           Undistributed offsetting receipts: Interest received by onbudget trust funds         -22.1         -26.7         -29.6         -33.5         -36.7         -39.0         -40.8           Interest received by off-budget trust funds         -4.1         -4.4         -4.7         -6.3         -8.7         -10.8         -13.3           Interest received by OCS escrow account         -*         -0.3         -22.5         -1.0         -22.5         -1.0         -22.5         -1.0         -22.5         -1.0         -22.5         -22.5         -22.5         -22.5         -23.7         -33.1         -34.4         -34.4         -34.4         -34.4         -34.4         -34		41.0	40.0	40.0	40 C	51.0	52.2	55.1
Veterans Administration         27.3         27.0         26.6         27.2         27.4         27.8         27.8         14.1           Other Independent Agencies         15.5         17.0         15.7         16.5         13.8         13.9         14.1           Allowances:         0.4         2.0         3.2         4.4         5.6           Increased employer share, employee retirement         0.3         0.4         0.4         0.4         0.3           Total allowances         0.8         2.4         3.6         4.7         6.0           Undistributed offsetting receipts:         0.8         2.4         3.6         4.7         6.0           Undistributed of					49.0	31.6	55.5	33.1
Other Independent Agencies         15.5         17.0         15.7         16.5         13.8         13.9         14.1           Allowances:         Civilian agency pay raises 2         0.4         2.0         3.2         4.4         5.6           Increased employer share, employee retirement         0.3         0.4         0.4         0.4         0.3           Total allowances         0.8         2.4         3.6         4.7         6.0           Undistributed offsetting receipts:         Interest received by onbudget trust funds         0.8         2.4         3.6         4.7         6.0           Interest received by off-budget trust funds         0.4.1         0.4.4         0.4.7         0.3         0.4         0.4         0.4         0.4           Interest received by off-budget trust funds         0.4.1         0.4.4         0.4.7         0.3         0.4         0.4         0.4         0.0           Interest received by off-budget trust funds         0.5         0.5         0.5         0.5         0.5         0.5         0.6         0.8.7         -10.8         -13.3           Interest received by off-budget trust funds         0.5         0.5         0.3         0.2         0.5         0.7         0.3         0.2					27.2	27.4	27.8	27.8
Civilian agency pay raises 2		15.5	17.0	15.7	16.5	13.8	13.9	14.1
Total allowances   Continents   Continents								
Increased employer share, employee retirement	civillan agency pay			0.4	2.0	3.2	4.4	5.6
Total allowances	Increased employer share.							
Undistributed offsetting receipts: Interest received by on- budget trust funds	employee retirement			0.3	0.4	0.4	0.4	
Undistributed offsetting receipts: Interest received by on- budget trust funds	Total allowances			0.8	2.4	3.6	4.7	6.0
Interest received by on- budget trust funds	Undistributed offsetting							
budget trust funds								
Interest received by off-budget trust funds		-22.1	<b>— 26.7</b>	<b>— 29.6</b>	- 33.5	<b>— 36.7</b>	- 39.0	<b>— 40.8</b>
Interest received by OCS	Interest received by off-			4.7	6.2	0.7	10.0	122
escrow account		-4.1	<b>— 4.4</b>	<b>— 4.</b> /	- 6.3	-8.7	10.0	- 13.3
Employer share, employee retirement (on-budget)         -24.7         -26.3         -28.5         -30.2         -31.7         -33.1         -34.4           Employer share, employee retirement (off-budget)         -2.5         -2.8         -3.2         -3.7         -4.2         -4.8         -5.3           Rents and royalties on the Outer Continental Shelf         -5.5         -5.5         -5.3         -8.2         -6.4         -5.6         -5.6           Sale of major physical assets (proposed)         -1.2         -1.2         -4.2         -1.5         -5.8         -4.8           Total undistributed offsetting receipts as affecting receipts         -59.0         -67.1         -72.5         -88.6         -90.2         -99.1         -104.2		_*	-0.3		-2.5	<b>—</b> 1.0		
Employer share, employee retirement (off-budget)	Employer share, employee			00.5	20.0	21.7	22.1	24.4
retirement (off-budget)		24.7	-26.3	<b>— 28.5</b>	-30.2	-31./	-33.1	- 34.4
Rents and royalties on the Outer Continental Shelf		_2.5	-2.8	-3.2	-3.7	<b>— 4.2</b>	<b>— 4.8</b>	-5.3
Outer Continental Shelf         -5.5         -5.5         -5.3         -8.2         -6.4         -5.6         -5.6           Sale of major physical assets (proposed)							ļ	
assets (proposed)	Outer Continental Shelf	_ 5.5	<b>—</b> 5.5	- 5.3	-8.2	— b.4	— 5.b	- 5.6
Total undistributed			-1.2	-1.2	-4.2	-1.5	-5.8	<b>—4.8</b>
offeeting receipts $ -59.0 -67.1 -72.5 -88.6 -90.2 -99.1 -104.2$	** **		1					
On-budget	offcotting receipts	_59.0	-67.1	-72.5	-88.6	-90.2	-99.1	-104.2
	On-budget	(-52.3)	(-59.9)	(-64.6)	(-78.6)	(-77.4)	i ( — 83.5)	I (—85.7)

Table 9. BUDGET AUTHORITY BY AGENCY, 1985-91-Continued

Department or other unit	1985			Estir	пate		
Department or other unit	Actual	1986	1987	1988	1989	1990	1991
Off-budget	(-6.6)	(-7.3)	( — 7.9)	(-10.0)	( — 12.9)	(-15.6)	(-18.6
Total budget							
authority	1,074.1	1,058.7	1,102.0	1,165.9	1,218.0	1,261.3	1,310.1
On-budget	(889.7)	(871.4)	(887.7)	(923.1)	(954.4)	(975.2)	(1,004.7
Off-budget	(184.3)	(187.3)	(214.3)	(242.8)	(263.7)	(286.1)	(305.4
MEMORANDUM							
Available through current		ļ					
action by Congress:	501.1	500.0					
Enacted and pending	561.1	533.2		F00.1		N	
		. — 9.1	555.9	592.1	618.9	N/A	N/A
	·····	1.5	8.3	12.0	17.9	N/A	N/A
Available without current		705.1	700 5	770.4	005.0	NI /A	NI /A
action by Congress	698.2	725.1	732.5	778.4	805.6	N/A	N/A
Deductions for offsetting	105.0	101.0	1047	0164	0040	NI /A	NI /A
receipts 3	185.2	191.8	194.7	216.4	224.3	N/A	N/A
Total budget							
authority	1,074.1	1,058.7	1,102.0	1,165.9	1,218.0	1,261.3	1,310.1

<sup>\*\$50</sup> million or less.

N/A—Not available.

Includes allowances for civilian and military pay raises for Department of Defense.

Includes allowances for civilian agency pay raises and military pay raises for the Coast Guard.

These consist of intragovernmental transactions and proprietary receipts from the public.

Table 10. BUDGET AUTHORITY AND OUTLAYS AVAILABLE WITH AND WITHOUT CURRENT ACTION BY CONGRESS 1

	(In	millions of dollars	S)			
		Budget authori	ty		Outlays	
Department or other unit	1985 actual	1986 estimate	1987 estimate	1985 actual	1986 estimale	1987 estimate
Portion available through current action						
by Congress:						i
Legislative branch	1,550	1.643	1.829	1.307	1,482	1.661
The Judiciary	1,038	1,031	1,221	884	907	1.080
Executive Office of the President	. 116	108	115	99	91	105
Funds appropriated to the President	16,841	13,290	15,116	6,682	6.476	8.617
Agriculture	27,342	23,514	24,458	24,428	22,736	22,738
Commerce		1,886	1,778	1,367	1,243	1.256
Defense—Military 2		278,601	312,271	157,133	155,373	174,854
Defense—Civil		2,761	2,884	1,986	1,548	1,180
Education	19,089	16,751	15,211	6,319	6,179	5,367
Energy		13,279	11,741	9,606	7,842	7,497
Health and Human Services 3	75,070	70,830	70,298	64,620	64,171	61,896
Housing and Urban Development		9,313	3,955	761	458	1,265
Interior		4,856	4,458	3,909	3,714	3,611
Justice		3,692	4,208	3,062	3,056	3,267
Labor		5,964	5,769	2,129	2,457	2,434
State		3,476	4,124	2,084	2,297	2,279
Transportation		8,975	16,635	6,351	5,819	6,306
Treasury		13,173	13,447	13,474	13,321	12,371
Environmental Protection Agency		4,989	4,259	1,128	1,355	1,204
General Services Administration	395	388	394	336	326	327
National Aeronautics and Space Ad-						1
ministration	7,573	7,306	7,694	5,530	4,920	5,145
Office of Personnel Management		5,440	7,969	5,724	5,860	5,006
Small Business Administration		361	220	303	211	90
Veterans Administration	26,387	26,230	25,976	22,982	23,013	22,775
Other independent agencies	8,562	7,658	7,841	6,234	5,767	5,831
Allowances 4			770			754
Subtotal	561,091	525,515	564,205	348,439	340,619	358,915
Portion available without current action						
by Congress	698.175	725,070	732,471	530,343	531,565	527,953
Outlays from obligated balances 5				192,347	215,439	212,535
Outlays from unobligated balances 5		ł		60.398	84,154	89.291
Deductions for offsetting receipts	- 185,203	-191,849	- 194,691	-185,203	-191,849	-194,691
Total hudget authority and						
Total budget authority and outlays	1 074 062	1 059 726	1.101.985	946.323	979.928	994,002
outlays	1,074,003	1,030,730	1,101,303	340,323	3/3,320	334,002
MEMORANDUM						
Appropriations to liquidate con-						
tract authority: 6						
Agriculture		l	98		<u> </u>	
Housing and Urban Development		<b>—721</b>	-1.720			
Interior		10				
Transportation		14,986	14,551			
Total	14,106	14,276	12,930			

<sup>Includes budget authority and outlays that are off-budget under current law.
Includes allowances for civilian and military pay raises for Department of Defense.
Includes amounts for Social Security trust funds that are available through current action by Congress.
Includes allowances for civilian agency pay raises and military pay raises for the Coast Guard.
Outlays from appropriations to liquidate contract authority are included as outlays from balances.
Excluded from budget authority above.</sup> 

Table 11. RELATION OF BUDGET AUTHORITY TO OUTLAYS 1

Description	1985 actual	1986 estimate	1987 estimate
Budget authority available through current action by Congress:			
Enacted, pending, or recommended herein:			
Appropriations 2	549 011	515.040	EAE CO
Appropriations 2	548,911	515,040	545,62
Contract authority	10,759	8,309	10,01
Authority to borrow	834	501	20
Reappropriations and reauthorizations	587	67	
To be requested separately:			
Appropriations 2		2,097	8,17
Contract authority			-3
Authority to borrow		499	21
Total budget authority available through cur-			
rent action by Congress (table 10)	561,091	525,515	564,20
Budget authority available without current action by Congress			
(permanent authorizations):			
Appropriations 2	611,745	656,361	690,22
Contract authority	35,739	35,966	18,10
Authority to borrow	50,691	32,743	24,13
Deductions for offsetting receipts (table 14):	00,000		,
Intragovernmental transactions	149,945	- 154,554	-153,92
Proprietary receipts from the public	-35,259	<b>—</b> 37,295	- 40,77
	1,074,063		
Total budget authority for the year (table 8)	1,074,063	1,058,736	1,101,98
Unobligated balances and adjustments:			
Unobligated balances:			
Brought forward at start of year (table 12)	419,993	480,275	518,08
Written off (rescinded, lapsed, etc.) 3	<b>—22,369</b>	<b>— 16,888</b>	14,34
Carried forward at end of year (table 12)	<b>— 480,275</b>	<b>—518,089</b>	-576,33
Obligations incurred, net 4	991,412	1,004,034	1,029,40
Obligated balances:			
	EEA 420	598,107	595.87
Brought forward at start of year, funded (table 12)	554,438		
Adjustments in expired accounts	4,231	502	_4
Adjustments in unexpired accounts	<b></b> 5,652	<b>—26,836</b>	6,82
Deficiency appropriations			22
Carried forward at end of year (table 12)	<b>—</b> 598,107	<b>— 595,879</b>	-624,64
Outlays (table 3)	946,323	979,928	994,00
MEMORANDUM			
Federal funds included above:			
Budget authority available through current action by Congress	556.632	523,739	546.69
Budget authority 5	794,461	764,791	783,69
Obligations incurred, net 5	763,263	772,574	783,26
	726,137	750,949	751,78
Budget outlays 5			

 $<sup>^{\</sup>rm 1}$  Includes budget authority and outlays that are off-budget under current law.  $^{\rm 2}$  Excludes appropriations to liquidate contract authority:

	1985	1986	1987
	aciual	eslimale	estimale
Enacted, pending, or recommended herein	35,965	39,084 721	39,375 — 1,720

Includes redemption of agency debt and capital transfers to the general fund, as well as proposed and enacted rescissions of unobligated balances.
 For additional information on obligations incurred, net, see the OMB report "Object Class Analysis", which can be purchased from the National Technical Information Service shortly after the budget is transmitted.
 Amounts are net of intrafund transactions, and proprietary receipts from the public.

Table 12. BALANCES OF BUDGET AUTHORITY 1

(in tillinois of donars)								
Department or other unit	Start	1985	End :	1985	End	1986	End :	1987
Department of other unit	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative branch	329	462	412	404	433	232	458	207
The Judiciary	101	96	124	142	136	114	159	127
Executive Office of the	101				100		100	***
President	21	*	21	*	17	*	19	*
Funds appropriated to the								
President	40,452	30,972	47,300	31,225	50,833	29,743	51,994	29,650
Agriculture	18,377	1,895	19,422	2,182	19,821	1,389	17,186	2,127
Commerce	1,488	372	1,644	355	1,524	286	1,220	278
Defense—Military 2	153,459	51,620	182,861	61,487	202,433	59,927	239,338	60,327
Defense—Civil	792	516	2,184	10,694	2,336	23,945	2,547	39,452
Education	12,271	1,236	13,683	1,993	12,771	1,605	12,075	1,344
Energy	8,345	2,119	7,949	2,450	8,048	2,048	8,411	988
Health and Human Services,								
except Social Security	6,938	27,833	7,298	36,576	7,669	48,481	8,818	59,206
Health and Human Services,	10.510	10.701	14.707	05.000	15 700	00.004	10.005	41.150
Social Security	13,513	18,701	14,727	25,026	15,700	26,634	16,835	41,158
Housing and Urban	012.045	50.012	012 201	EDATE	100 100	EC 102	177.044	40.010
Development	213,045	58,013	213,301	58,476 2.039	186,155	56,203 1,713	177,044 1,774	49,210 1,629
Interior	2,453 594	1,823 387	2,345 731	444	2,114 829	270	967	316
Justice Labor	4,514	18,377	4,957	19.802	4.695	24,161	4.549	29,434
State	598	2,244	702	3,013	1,820	3,058	2,618	3,483
Transportation	33.057	10.718	35,205	12.252	35.182	12,400	33,533	11.051
Treasury	1,913	28,326	2,097	23,765	910	15,997	1,010	16,166
Environmental Protection	1,010	20,020	2,007	20,700	010	10,007	1,010	10,100
Agency	10,753	722	10,176	1.136	9.162	2.146	9,709	1,239
General Services Administration	839	934	970	1,244	990	1,390	1,395	392
National Aeronautics and Space				,				
Administration	1,321	1,001	1,631	912	1,735	766	1,996	642
Office of Personnel						1.05.000		100 050
Management	2,022	129,081	1,982	146,999	2,089	165,689	2,241	186,256
Small Business Administration	180	1,417	260	1,774	193	1,637	10	10.000
Veterans Administration	3,905	12,454	4,071	13,174	4,465	13,257	5,095	12,890
Other independent agencies:	4.050		2 100	420	1 077	C1	607	720
Export-Import Bank	4,956		3,109	439	1,977	61	687	732
Federal Deposit Insurance	5.061	9,144	4,652	11,495	3,526	14,279	2,481	17,224
Corporation Federal Home Loan Bank	3,001	3,144	4,032	11,433	3,320	14,273	2,401	17,224
Board	1.664	4.577	1.907	3.920	3,121	2.248	4.378	1.188
Railroad Retirement Board	496	2,498	578	3,567	830	5,122	1,004	
All other independent			0.0	0,00		-,		1
agencies	10.983	2,454	11,809	3,287	14,367	3,284	15,076	3,469
Allowances 3							16	
Total	554,438	419,993	598,107	480,275	595,879	518,089	624,641	576,331
	,,,,,,	,						
MEMORANDUM								171 700
Federal funds		199,214	524,879	207,910	520,170	184,461	545,010	171,796
Trust funds	65,451	220,779	73,228	272,365	75,709	333,628	79,631	404,536
Total	554,438	419,993	598,107	480,275	595,879	518,089	624,641	576,331
		L						

<sup>\*\$500</sup> thousand or less.

1 Includes balances of budget authority that are off-budget under current law.

2 Includes balances of allowances for civilian and military pay raises for the Department of Defense.

3 Includes balances of allowances for civilian agency pay raises.

Table 13. RECEIPTS BY SOURCE

Source	1985 actual	1986 estimate	1987 estimate
Individual income forces			
Individual income taxes: Withheld	298,941	325,174	358,307
Other	101,333	103,110	109,568
Proposed legislation		<b>—</b> 217	-1.045
Gross individual income taxes	400,274	428,067	466,830
Refunds	-65,743	_74,329	80,846
	·		
Net individual income taxes	334,531	353,738	385,984
Corporation income taxes:			
Existing law		86,384	101,429
Proposed legislationRefunds		-38 -15,481	-339 -14,361
KEIUIUS	-10,002		
Net corporation income taxes	61,331	70,865	86,729
Social insurance taxes and contributions (trust funds):			
Employment taxes and contributions: Old-age and survivors insurance (off-budget)	169,822	180,574	195,190
Proposed legislation (off-budget)	100,022	100,074	284
Disability insurance (off-budget)	16,348	17,364	18,773
Proposed legislation (off-budget)			28
Hospital insurance		50,641	55,655
Proposed legislation			82
Social Security equivalent account	1,391	1,365	1,383
Rail pension fund.		2,170	2,250
Proposed legislation			96
Total employment taxes and contributions	234,646	252,114	273,741
On-budget		(54,176)	(59,466)
Off-budget	(186,171)	(197,938)	(214,275)
Unemployment insurance:			
State taxes deposited in Treasury 1	19,969	18,429	17,020
State taxes deposited in Treasury 1			55
Federal unemployment tax receipts 1	. 5.554	4,932	5,979
Proposed legislation	235	220	14 214
Proposed legislation	233	220	42
Rairoad debt repayment <sup>1</sup>			91
		22 501	
Total unemployment insurance	25,758	23,581	23,415
Other retirement contributions:	4.070	4.050	4 007
Federal employees' retirement—employee contributions	4,672	4,653	4,607
Proposed législationContributions for non-Federal employees 2	87	90	926 93
Proposed legislation		30	23
Total other retirement contributions		4,743	5,648
Total social insurance taxes and contributions		290 439	302 804
On-budget		280,438 (82,500)	<b>302,804</b> (88,529)
Off-budget	(186,171)	(197,938)	(214,275)
Excise taxes: Federal funds:			
Alcohol taxes:			
Distilled spirits	3,728	4,110	4,104
Beer		1,605	1,613
Wines	. 269	276	291
Special taxes in connection with liquor occupations	.l 21	1 21	21

Table 13. RECEIPTS BY SOURCE—Continued

(III IIIIuons of Collais)			
Source	1985 actual	1986 estimate	1987 estimate
Refunds	-116	<b>—124</b>	<b>— 128</b>
Total alcohol taxes	5,562	5,888	5,901
Tobacco taxes:			
Cigarettes	4,743	3,536	2,320
Proposed legislation	7,770	1.021	2,242
Cigars	30	30	30
Cigarette papers and tubes	2	2	
Other	8	8	2 8
Refunds	4	-3	<b>—2</b>
Total tobacco taxes	4,779	4,594	4,600
Manufacturers' excise taxes: Gasoline	1	1	1
Firearms, shells, and cartridges	89	92	98
Pistols and revolvers	23	24	26
Bows and arrows	8	j j	l g
Gas guzzler tax	40	58	75
Windfall profit tax	6,396	4,161	2,774
Refunds	<b>-61</b>	<del>-</del> 90	27
Total manufacturers' excise taxes	6,496	4,255	2,956
Miscellaneous excise taxes:		_	
General and toll telephone and teletype service	2,147	2,327	2,551
Wagering taxes, including occupational taxes	./	1 1/	1 8
Employee pension plans	14	14	15
Tax on foundations	142	127	127
Foreign insurance policies	74	80	87
Other	-65	— 20	<b>—20</b>
Refunds			2,768
Total miscellaneous excise taxes	2,320	2,535	8
Undistributed Federal tax deposits and unapplied collections	<u>- 57</u>	154	
Total Federal fund excise taxes	19,097	17,426	16,233
Trust funds:			
Highway:	0.000	0.720	0.040
Gasoline	8,886 1,397	8,730 1,198	8,846 1.190
Trucks, buses, and trailers	224	251	239
Tires, innertubes, and tread rubber	2,559	2,618	2,700
Diesel fuel used on highways	379	406	430
Proposed legislation		100	623
Refunds	<b>—428</b>	180	-214
Total highway trust fund	13,015	13,022	13,814
Airport and airway: Transportation of persons	2,509	2,607	2.882
Waybill tax	134	144	154
Tax on fuels		114	118
International departure tax	108	94	98
Refunds	_4	_5	-5
Total airport and airway trust fund	2,851	2,954	3,247
•		203	182
Aquatic resources trust fund		546	580
Proposed logiciation	301		203
Proposed legislation	40	51	52
Hazardous substances response trust fund	273	15	
Proposed legislation		. 412	893
Post-closure liability trust fund	7		
Total trust fund excise taxes		17,202	18,970
Total trade rails succes to the succession of th			

## Table 13. RECEIPTS BY SOURCE—Continued

Source	1985 actual	1986 estimate	1987 estimate
Total excise taxes	35,992	34,628	35,203
Estate and gift taxes	6,422	6,073	5,661
Customs duties <sup>3</sup>	12,079	12,404	12,937
Miscellaneous receipts: 4			
Miscellaneous taxes	207	204	213
Deposit of earnings, Federal Reserve System	17,059 8	16,532	16,560
Fees for permits and regulatory and judicial services:			
Immigration, passport, and consular fees		291	306
Patent and copyright fees			
Registration and filing fees		287	289
Proposed legislation	223	229	16 228
Miscellaneous fees for permits, licenses, etc	<b>-24</b>	35	36
Miscellaneous fees for regulatory and judicial services		106	96
Proposed legislation			205
Fees for legal and judicial services	2	2	2
Total fees for permits and regulatory and judicial services	880	950	1,179
Fines, penalties, and forfeitures: Petroleum overcharge funds		750	1,500
Proposed legislation	270	544	1,000
OtherProposed legislation		344 1	597 1
		-	
Total fines, penalties, and forfeitures	370	1,295	3,098
Restitutions, reparations, and recoveries under military occupation	3	2	2
Gifts and contributions	41	37	29
Refunds and recoveries	<u>-28</u>	<u> </u>	<b>— 27</b>
Total miscellaneous receipts	18,539	18,993	21,054
Total receipts	734.057	777,139	850,372
On-budget		(579,201)	(636,097)
Off-budget	(186,171)	(197,938)	(214,275)
MEMORANDUM			
On-budget:			
Federal funds	459,488	485,155	533,293
Trust funds	197,749	207,196	216,689
Interfund transactions		<u>_113,149</u>	—113,884
Total on-budget	547,886	579,201	636,097
Off-budget (trust funds)	186,171	197,938	214,275
Total	734,057	777.139	850,372

<sup>\*\$500</sup> thousand or less.

¹ Deposits by States are State payroll taxes that cover the benefit part of the program. Federal unemployment tax receipts cover administrative costs at both the Federal and State level. Railroad unemployment tax receipts cover both the benefits and administrative costs of the program for the railroads.

² Represents employer and employee contributions to the civil service retirement and disability fund for covered employees of Government-sponsored, privately owned enterprises and the District of Columbia municipal government.

³ Includes both Federal and trust funds. Trust fund amounts in customs duties are: 1985, \$30 million; and 1986, \$30 million; and 1987, \$30 million.

Includes both Federal and trust funds. Trust fund amounts in customs duties are: 1985, \$30 minion; and 1986, \$162 million; and 1987, \$165 million.

Note.—Estimates for 1986 and 1987 include effects of proposed legislation.

Note.—For all years, transactions of the social security trust funds are presented off-budget and transactions of formerly off-budget accounts are included on-budget.

Table 14. OFFSETTING RECEIPTS BY TYPE

Туре	1985 actual	1986 estimate	1987 estimate
INTRAGOVERNMENTAL TRANSACTIONS			
Intrabudgetary transactions:			
Federal intrafund transactions: Distributed by agency:			
Interest from the Federal Financing Bank	17,296 4,817 — 73	16,540 4,385 155	17,639 4,526 139
Total Federal intrafunds	22,040	21,081	22,305
Trust intrafund transactions: Distributed by agency	24	,	
Total intrafund transactions	22,064	21,092	22,307
Interfund transactions:	22,004	21,032	22,307
Distributed by agency:			
Federal fund payments to trust funds: Contributions to insurance programs:			
Military retirement fund	9,500	10,500	11,200
Supplementary medical insurance	17,898 1,348	18,047 1,076	18,517 963
Railroad social security equivalent benefits	1,950	2,247	2,355 331
Railroad industry pension fund	986 16,468	1,069 16,721	16,660
Unemployment insurance	1,592	248	278 267
Other	372	451	207
State and local government fiscal assistance	4,567 228	3,425 580	321
Subtotal	54,908	54,365	50,893
Trust fund payments to Federal funds:  Repayment of loans or advances to trust funds	6,912 243 510	5,048 265 536	4,080 259 551
Subtotal	7,665	5,849	4,890
Total interfunds distributed by agency	62,572	60,213	55,783
Undistributed by agency:			
Employer share, employee retirement (on-budget):	6,192	6,336	7,635
Civil service retirement and disability insurance	1,449	1,597	1.711
Military retirement fund	16,964 103	18,034 315	19,069 56
Total employer share, employee retirement (on-budget)	24,708	26,283	28,471
Interest received by on-budget trust funds		26,654	29,631
Total interfund transactions undistributed by agency		52,936	58,101
Total interfund transactions undistributed by agency		113,149	113,884
Total intrabudgetary transactions		134,241	136,191
Payments by on-budget accounts to off-budget accounts: Interfund transactions: Distributed by agency:			
Federal fund navments to trust funds-	7.45	0	0.000
Old-age, survivors, and disability insurance	1 /,187	9,117	6,363

## Table 14. OFFSETTING RECEIPTS BY TYPE—Continued

Туре	1985 actual	1986 estimate	1987 estimate
Undistributed by agency: Employer share, employee retirement (off-budget) Interest received by off-budget trust funds	2,509 4,118	2,843 4,418	3,177 4,716
Total payments by on-budget accounts to off-budget accounts	13,814	16,378	14,256
Payments by off-budget accounts to on-budget accounts: Intrafund transactions from off-budget accounts: Distributed by agency: Payments to railroad retirement	2,353	2,685	2,813
Interest payments to hospital insurance	<u> </u>	383	2 912
Interfund transactions from off-budget accounts:  Distributed by agency: Interest payments to the Treasury		3,068	2,813
Total payments by off-budget accounts to on-budget accounts	4,351	3,752	3,473
Intratrust transactions between off-budget accounts: Distributed by agency: Interest on inter-trust borrowings	. 365	182	
Total intragovernmental transactions	149,945	154,554	153,920
PROPRIETARY RECEIPTS FROM THE PUBLIC			
Distributed by agency:			
Interest: Interest on loans, Foreign Assistance Act	386 939 1,028 822	357 936 755 871	359 1,205 780 1,356
Total interest	3,175	2,919	3,700
Dividends and other earnings	. 27	5	5
Rents: Rent and bonuses from land leases, etc	. 106	68 52 15	136 56 15
Total rents	145	135	208
Royalties	1,074	1,112	1,140
Sale of products: Sale of timber and other natural land products	. 847 . 822	1,154 832 908	1,021 507 738
Recovery of mint manufacturing expense	. 62	215	93
Total sale of products	2,503	3,108	2,359
Fees and other charges for services and special benefits:  Medicare premiums and other charges (trust fund)	. 1,411 1,795 421 416	5,771 1,375 381 436 437 1,354	7,294 423 436 444 2,555
Total fees and other charges		9,754	11,152
Sale of Government property: Sale of land and other real property <sup>3</sup>			

# Table 14. OFFSETTING RECEIPTS BY TYPE—Continued

Туре	1985 actual	1986 estimate	1987 estimate
Sale of equipment and other personal property: Military assistance program sales (trust fund)	9,649 68	10,800 84	11,300 87
Total sale of property	9,786	11,023	11,498
Realization upon loans and investments:  Dollar repayments of loans, Agency for International Development  Foreign military credit sales  Dollar conversion of foreign currency  Repayment of loans to United Kingdom	371 71 96 85 402	394 68 111 87 151	421 70 111 89 1,052
Total realization upon loans and investments	1,026	811	1,743
Recoveries and refunds <sup>3</sup>	458	456	1,444
Miscellaneous receipt accounts 3	824	1,022	1,042
Total proprietary receipts from the public distributed by agency	29,715	30,345	34,291
Undistributed by agency: Other interest: Interest received from Outer Continental Shelf escrow account Rents and royalties on the Outer Continental Shelf:	2	300	
Rents and bonuses	1,953 3,589	1,869 3,581 1,200	1,645 3,635 1,200
Total proprietary receipts from the public undistributed by agency	5,544	6,950	6,480
Total proprietary receipts from the public 4	35,259	37,295	40,771
Total offsetting receipts		191,849	194,691

<sup>\*\$500</sup> thousand or less.

	1985	1986	1987
	actual	estimate	estimate
Federal funds	18,428	19,072	20,242
	16,830	18,223	20,529
Off-hidget			

<sup>\*</sup>Interchanger receipts between the social security and railroad retirement funds place the social security funds in the same position they would have been if there were no separate railroad retirement system.

Includes provision for covered Federal civilian employees and military personnel.

Includes both Federal funds and trust funds.

Consists of:

TABLE 15. LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1987 BUDGET, PROJECTIONS OF COSTS \*

				Esti	Estimates			The second secon
		1986	1987	1988	1989	1990	1991	
Funds Appropriated to the President: Fair export financing program	BA BA		300					This proposal, which is part of the President's recent initiative to
0			16	56	64	9	24	counter unfair trade practices, would match the heavy export
								subsidies of some industrialized countries to lead them to negoti- ate reductions in those subsidies.
Investment Guarantee Agency	BA		44					This proposal would fully fund U.S. membership in the World Bank's
(MIGA).	0		77					proposed new armitate that would encourage private investment in developing countries by insuring against noncommercial risks.
Department of Education: Teacher training and innovement RA	RA	43	75	75	75	75	75	This proposal would expand the existing math science and foreign
וכמסובן תמוווון מוס ווולונאסובוריייייייייי	0	≩ <b> </b>	62	69	74	75	75	7.5 Improposati victoria speriori di programi in serve teracher, ana inorgani 7.5 language teacher training program to serve terachers in all arademic disciplines. Annopriations would be increased to finance.
								this expanded activity.
Department of State: Diplomatic security	BA.	707	1,418	930	845	495		Over five years this proposal would improve this security of U.S.
	0		628	731	1013	1061	532	buildings and personnel at diplomatic missions abroad and of foreign diplomats in the United States
Environmental Protection Agency:								totale appointed in the control outco.
Hazardous substance response trust fund  BA	BA 0	860 471	1,050	1,125	1,100	1,125	1,200	1,200 This proposal is consistent with the legislative package submitted last 1,149 year to expand the national efforts to clean up abandoned
								hazardous waste sites. The proposal would triple the size of the original program. The expanded program would be financed by an
								extension of the original tax and a new fee on the disposal of hazardous waste.
*The table is supplied to meet the requirements of section	221 (a) of the	Legislative R	eorganization	Act of 1970	(Public Law	91-510). The	economic a	requirements of section 221 (a) of the Legislative Reorganization Act of 1970 (Public Law 91-510). The economic assumptions used to prepare these estimates are shown in Part 2, "Economic Assumptions

and the Budget. These estimates do not reflect the effects of experience gained in operating the programs or reductions in the costs of other programs that might come about if the proposals were adopted. Since the assumptions upon which these estimates are based may change, they do not represent a commitment to specific funding level in future years.

Table 16. CONTROLLABILITY OF OUTLAYS, 1985-87

	1985 actual	1986 estimate	1987 estimate
Relatively uncontrollable under present law:			
Open-ended programs and fixed costs:			
Payments for individuals:			
Social security and railroad retirement	189.9	200.9	213.1
On-budget	(1.5)	(2.3)	(2.8)
Off-budget	(188.4)	(198.6)	(210.3)
Federal employees' retirement and insurance	49.8	53.0	55.2
Unemployment assistance	16.1	15.0	15.3
Medical care	91.0	96.2	102.5
Assistance to students		4.5	4.4
Food and nutrition assistance		3.9	4.2
Public assistance and related programs		23.3	23.1
All other relatively uncontrollable payments for individuals	2.8	3.0	3.1
Subtotal, payments for individuals	380.5	399.8	420.9
Net interest	129.4	141.5	147.3
On-budget	(133.6)	(145.9)	(152.0)
Off-budget	·	(-4.4)	(-4.7)
General revenue sharing		3.7	
Farm price supports (CCC)		20.3	16.3
Other open-ended programs and fixed costs		-4.8	-6.2
Total, open-ended programs and fixed costs		560.5	578.4
Outlays from prior-year contracts and obligations: 1			
National defense	92.1	103.6	106.7
Civilian programs	70.1	78.1	78.3
		1 1 1 1	
Total, outlays from prior-year contracts and obligations		181.6	185.0
Total, relatively uncontrollable outlays	689.5	742.2	763.4
Relatively controllable outlays:	1005	1000	175.0
National defense	160.5	162.0	175.3
Civilian programs	123.6	104.8	86.9
Administrative expenses of relatively uncontrollable payments for individ-	(7.9)	(8.2)	(8.6)
uals	(5.7)	(5.7)	(6.0)
On-budget	1 200	(2.5)	(2.6)
Off-budget	1	(96.6)	(78.3)
Other	<u> </u>	266.9	262.3
Total, relatively controllable outlays 2			
Undistributed employer share, employee retirement <sup>3</sup>		-29.1	-31.6
On-budget	(-24.7)	(-26.3)	(-28.5)
Off-budget	(-2.5)	(-2.8)	(-3.2)
Total outlays	946.3	979.9	994.0

# Table 16. CONTROLLABILITY OF OUTLAYS, 1985-87-Continued

	1985 actual	1986 estimate	1987 estimate
MEMORANDUM—Percent of total outlays			
Relatively uncontrollable under present law: Open-ended programs and fixed costs: Payments for individuals	40.2 15.5	40.8 16.4	42.3 15.8
Total open-ended programs and fixed costs  Outlays from prior-year contracts and obligations		57.2 18.5	58.2 18.6
Total relatively uncontrollable outlays	30.0	75.7 27.2 3.0	76.8 26.4 3.2
Total outlays	100.0	100.0	100.0

<sup>&</sup>lt;sup>2</sup> Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."

<sup>2</sup> In addition to amounts provided under current law, includes the effect of proposed legislation as follows: for open-ended programs and fixed costs, \$1.7 billion in 1986 and —\$7.2 billion in 1987 (all of which is for civilian programs); and for other relatively controllable programs, —\$2.8 billion in 1986 and —\$2.6 billion in 1987 (of which —\$0.2 billion in 1987 is for national defense and —\$2.8 billion in 1986 and —\$2.8 billion in 1987 from proposed legislation.

Table 17. RECEIPTS BY SOURCE, 1977-87

					Actual					Estimate	nate
Source	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Individual income taxes	157,626 54,892	180,988 59,952	217,841 65,677	244,069 64,600	285,917 61,137	297,744 49,207	288,938 37,022	298,415 56,893	334,531 61,331	353,738 70,865	385,984 86,729
Social insurance taxes and contributions (trust funds): Employment taxes and contributions: Old-age and survivors insurance (off-budget)	68,032	73,141	83,410	96,581	757,711	122,840	128,972	150,312	169,822	180,574	195,474
Disability insurance (off-budget)	8,786 13,474 1,908	12,250 16,668 1,822	14,584 19,874 2,190	16,628 23,217 2,323	12,418 30,340 2,457	20,626 34,301 2,917	18,348 35,641 2,805	15,763 40,262 3,321	16,348 44,871 3,605	17,364 50,641 3,535	18,801 55,737 3,729
Total employment taxes and contributions	92,199	103,881	120,058	138,748	162,973	180,686	185,766	209,658	234,646	252,114	273,741
Unemployment insurance	11,312	13,850	15,387	15,336	15,763	16,600	18,799	25,138	25,758	23,581	23,415
Other retirement contributions: Federal employees' retirement—employee contributions	2,915	3,174	3,428	3,660	3,908 76	4,140	4,351	4,494	4,672	4,653	5,532 116
Total other retirement contributions	2,974	3,237	3,494	3,719	3,984	4,212	4,429	4,580	4,759	4,743	5,648
Total social insurance taxes and contributions	106,485	120,967	138,939	157,803	182,720	201,498	208,994	239,376	265,163	280,438	302,804
Excise taxes: Federal funds: Alcohol	5,295	5,492	5,531 2,492	5,601 2,443 6,934	5,606 2,581	5,382 2,537	5,557 4,136 12,135	5,315 4,660 8,906	5,562 4,779 6.348	5,888 4,594 4.085	5,901 4,600 2.761
Other	1,960	2,118	1,785	585	2,689	2,344	2,258	3,398	2,408	2,859	2,971

Total Federal fund excise taxes	9,648	10,054	9,808	15,563	34,128	28,670	24,086	22,279	19,097	17,426	16,233
Trust funds: Highway Airport and airway.	6,709	6,904 1,326 92	7,189 1,526 222	6,620 1,874 272	6,305 21 385	6,744 133 765	8,297 2,165 753	11,743 2,499 827	13,015 2,851 1,027	13,022 2,954 1,227	13,814 3,247 1,909
Total trust fund excise taxes	7,900	8,323	8,937	8,766	6,711	7,641	11,214	15,082	16,894	17,202	18,970
Total excise taxes	17,548	18,376	18,745	24,329	40,839	36,311	35,300	37,361	35,992	34,628	35,203
Estate and gift taxes	7,327 5,150	5,285 6,753	5,411 7,439	6,389	6,787	7,991	6,053 8,655	6,010 11,370	6,422 12,079	6,073 12,404	5,661 12,937
Miscellaneous receipts: Deposit of earnings by Federal Reserve System Other miscellaneous receipts	5,908	6,641	8,327 925	11,767	12,834 956	15,186 975	14,492 1,108	15,684	17,059	16,532 2,461	16,560 4,494
Total miscellaneous receipts 2	6,531	7,420	9,252	12,748	13,790	16,161	15,601	17,031	18,539	18,993	21,054
Total receipts On-budget Off-budget	355,559 (278,741) (76,817)	399,561 (314,169) (85,391)	<b>463,302</b> (365,309) (97,994)	<b>517,112</b> (403,903) (113,209)	<b>599,272</b> (489,097) (130,176)	<b>617,766</b> (474,299) (143,467)	<b>600,562</b> (453,242) (147,320)	<b>666,457</b> (500,382) (166,075)	<b>734,057</b> (547,886) (186,171)	(579,201) (197,938)	850,372 (636,097) (214,275)
On-budget:		000				000	000	010	909	204	200 000
Federal funds Trust funds Interfund transactions	241,312 70,341 -32,912	270,490 76,873 —33,194	316,366 85,983 —37,041	350,856 94,679 —41,632	410,422 106,037 47,362	409,253 122,111 -57,065	382,432 147,290 —76,480	420,370 157,521 -77,509	439,488 197,749 —109,532	483,133 207,196 —113,199	233,293 216,689 —113,884
Total on-budgetOH-budget (trust funds)	278,741	314,169 85,391	365,309 97,994	403,903 113,209	469,097 130,176	474,299 143,467	453,242 147,320	500,382 166,075	547,886 186,171	579,201 197,938	636,097 214,275
Total	355,559	399,561	463,302	517,112	599,272	992,719	600,562	666,457	734,057	777,139	850,372

<sup>1</sup> Net of refunds.
<sup>2</sup> Includes both Federal and trust funds.

Table 18. OUTLAYS BY FUNCTION AND SUBFUNCTION, 1977-87

					Actual					Fefi	Fetimate
Function	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
050 NATIONAL DEFENSE: 051 Denartment of DefenseMilitary											
Military personnel	33,672	35,553	37,345	40,897	47,941	55,170	988'09	64,158	67,842	71,438	73,610
Operation and maintenance	30,587	33,578	36,424	44,770	51,864	59,674	64,915	62,369	72,348	74,137	80,872
Procurement	18,178	19,976	25,404	29,021	35,191	43,271	53,624	61,879	70,381	75,702	76,708
Research, development, test, and evalua-		0		10101	010	1100	200		0	000	
tion	9,/95	10,508	7000	13,12/	15,278	67/17	40,02	707.6	27,103	28,702	31,618
Military construction	1,914	1,932	1,469	1,430	1 721	7,922	2,324	2,700	007'4	2,040	7,592
Other 1	-206	- 602	-201	696 —	-614	- 18	-1,198	-1,801	794	1,455	4,374
051 Subtotal Department of Defense—											
Military	95,298	102,348	113,672	130,976	153,838	180,741	204,430	220,840	245,371	258,425	274,265
053 Atomic energy defense activities	1,936	2,070	2,541	2,878	3,398	4,309	5,171	6,120	7,098	7,152	7,708
054 Defense-related activities	_	9/	129	142	//2	529	301	453	5/8	250	592
TOTAL, 050 NATIONAL DEFENSE	97,241	104,495	116,342	133,995	157,513	185,309	209,903	227,413	252,748	265,827	282,238
150 INTERNATIONAL AFFAIRS:											
151 International development and human-											
itarian assistance	2,823	2,647	2,910	3,626	4,131	3,772	3,955	4,4/8	5,409	4,902	4,978
152 International security assistance	3,075	3,926	3,655	4,763	5,095	5,416	6,613	7,924	9,391	9,695	10,939
153 Conduct of foreign affairs	385	1,128	1,310	1,366	1,346	1,630	1,766	1,882	2,054	7,364	3,055
154 Foreign information and exchange ac-	0			Č		į	000	000	6	000	
tivities	386	423	465	534	525	5/1	209	789	/93	931	1,043
155 International financial programs	-913	-642	-881	2,425	2,007	911	-1,089	910	-1,471	- 751	-1,395
TOTAL, 150 INTERNATIONAL AFFAIRS	6,353	7,482	7,459	12,714	13,104	12,300	11,848	15,876	16,176	17,141	18,619

TECHNOLOGY:
1,078
1,006
4,736
4,841 143 123
664
5,770 7,992
3,213 589 985
4,279 3,965 966 1,151
10,032 10,983
5,735 10,228 1,052 1,129
6,787 11,357

Table 18. OUTLAYS BY FUNCTION AND SUBFUNCTION, 1977-87—Continued

1			,		Actual					Estimate	ate
+unction	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
370 COMMERCE AND HOUSING CREDIT: 371 Mortgage credit and deposit insurance 372 Postal Service 376 Other advancement of commerce	-175 2,094 1,174	3,570 1,282 1,402	2,253 896 1,537	5,602 1,246 2,542	4,696 1,432 2,078	4,016 154 2,085	3,880 1,111 1,690	3,766 1,239	871 1,351 2,007	1,345	-3,067 2,683 1,743
TOTAL, 370 COMMERCE AND HOUSING CREDIT	3,093	6,254	4,686	9,390	8,206	6,256	6,681	6,917	4,229	3,802	1,359
400 TRANSPORTATION: 401 Ground transportation. 402 Air transportation. 403 Water transportation	10,226 2,786 1,741 76	10,431 3,243 1,787 61	12,115 3,355 1,969 93	15,274 3,723 2,229 104	17,074 3,814 2,381 110	14,321 3,526 2,687 90	14,265 4,000 2,969 99	16,158 4,415 3,010 85	17,606 4,895 3,201 137	18,615 4,954 3,397 140	17,251 5,184 2,905 163
TOTAL, 400 TRANSPORTATION	14,829	15,521	17,532	21,329	23,379	20,625	21,334	23,669	25,838	27,106	25,503
450 COMMUNITY AND REGIONAL DEVELOPMENT: 451 Community development	3,411 2,961 649	3,298 5,672 2,871	4,000 4,868 1,611	4,907 4,303 2,043	5,070 3,818 1,680	4,608 3,841 —102	4,353 3,208 —1	4,520 3,034 119	4,598 3,117 —35	4,602 2,956 364	3,918 2,768 — 161
TOTAL, 450 COMMUNITY AND REGIONAL DEVELOPMENT	7,021	11,841	10,480	11,252	10,568	8,347	7,560	7,673	7,680	7,922	6,525
500 EDUCATION, TRAINING, EMPLOY-MENT, AND SOCIAL SERVICES: 501 Elementary, secondary, and vocational education	4,638 3,209 885	5,186 3,721 1,022	6,123 5,058 1,131	6,908 6,726 1,197	7,157 8,866 997	6,780 7,206 1,041	6,294 7,231 1,055	6,520 7,383 1,210	7,633 8,211 1,121	7,350 8,955 1,245	7,361 6,792 1,219

5 1,733	1,739	206,855	-29,631	-4,716 -24,511	147,996 (152,713) (-4,716	423	331	754		-28,471	-3,177	-5,280 $-1,200$
4,440 1,795	6,236	196,095	-26,654	-4,418 -22,283	142,740 (147,158) (-4,418)					-26,283	-2,843	-5,450 -1,200
4,591 1,762	6,353	179,063	-22,071	-4,118 -23,438	129,436 (133,554) (-4,118)					-24,708	-2,509	-5,542
4,573	6,768	153,822	-17,044	_3,310 _22,410	111, <b>058</b> (114,368) (-3,310)					-23,219	-2,044	-6,694
4,620	6,452	128,619	-15,257	-1,845 -21,743	<b>89,774</b> (91,619) (-1,845)					-21,706	-1,778	-10,491
4,575 1,816	6,390	117,190	-13,995	-2,071 -16,130	84,995 (87,065) (-2,071)					-18,203	-1,646	-6,250
5,140	6,854	95,503	-11,523	2,288 12,958	<b>68,734</b> (71,022) (-2,288)					-16,473	-1,430	-10,138
6,835 1,747	8,582	74,781	-9,707	_2,339 _10,224	<b>52,512</b> (54,851) (-2,339)					-14,638	-1,204	-4,101
6,854 1,515	8,369	59,837	727,7—	-2,224 -7,271	<b>42,615</b> (44,839) (-2,224)					-13,095	-1,114	-3,267
6,830 1,612	8,442	48,695	-6,128	-2,403 -4,724	35,441 (37,843) (-2,403)					-12,401	-1,060	-2,259
6,762 2,807	9,569	41,900	-5,488	-2,650 -3,875	<b>29,886</b> (32,536) (-2,650)					-11,528	- 977	-2,374
850 GENERAL PURPOSE FISCAL ASSIST-ANCE: 851 General revenue sharing	TOTAL, 850 GENERAL PURPOSE FISCAL ASSISTANCE	900 NET INTEREST: 901 Interest on the public debt	funds for the first form of the first from the firs	funds	TOTAL, 900 NET INTEREST On-budget Off-budget	920 ALLOWANCES: 921 Civilian agency pay raises 2	Relatively uncontrollable programs Other requirements	TOTAL, 920 ALLOWANCES	950 UNDISTRIBUTED OFFSETTING RE- CEIPTS:		(off-budget)	

Table 18. OUTLAYS BY FUNCTION AND SUBFUNCTION, 1977-87-Continued

					Actual					Estimate	late
Function	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
TOTAL, 950 UNDISTRIBUTED OFFSET- TING RECEIPTS	— <b>14,879</b> (—13,902) (—977)	-15,720 (-14,660) (-1,060)	-17,476 (-16,362) (-1,114)	-19,942 (-18,738) (-1,204)	- <b>28,041</b> (-26,611) (-1,430)	- <b>26,099</b> (-24,453) (-1,646)	-33,976 (-32,198) (-1,778)	-31,957 (-29,913) (-2,044))	- <b>32,759</b> (-30,250) (-2,509)	-35,776 (-32,933) (-2,843)	-38,182 (-34,951) (-3,177)
TOTAL OUTLAYS	409,203	458,729	503,464	590,920	678,209	745,706	808,327	851,781	946,323	979,928	994,002
(On-budget)	(328,487) (80,716)	(369,072) (89,657)	(403,486) (99,978)	(476,591) (114,329)	(543,013) (135,196)	(594,302) (151,404)	(661,219) (147,108)	(841,815) (9,966)	(769,515) (176,807)	(795,185) (184,743)	(795,386) (198,617)
MEMORANDUM On-budget: Federal Funds Trust Funds Interfund transactions Total on-budget Total Total	304,459 56,940 -32,912 328,487 80,716	342,355 59,910 -33,194 369,072 89,657 458,729	374,867 65,660 -37,041 403,486 99,978 503,464	433,468 84,756 41,632 476,591 114,329 590,920	496,182 94,193 —47,362 543,013 135,196 678,209	543,437 107,930 —57,065 594,302 151,404 745,706	613,277 124,421 — 76,480 661,219 147,108	636,324 124,877 — 77,509 685,968 165,813 851,781	726,137 152,730 -109,352 769,515 176,807 946,323	750,949 157,386 113,149 795,185 184,743	751,789 157,481 157,481 795,386 198,617 994,002

\*\$500 thousand or less.

\* Includes allowances for civilan and military pay raises for Department of Defense.

Includes allowance for military pay raise for the Coast Guard.

Table 19. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1968-89 (Dollar amounts in billions)

				Receipts	pts					Outlays	SÁ		
Fiscal wear	Gross	Total	le	On-budget	lget	Off-budget 1	get 1	Total	la la	On-budget	dget	Off-budget 1	et 1
	product	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1968	852.4	153.0	17.9	128.1	15.0	24.9	2.9	178.1	20.9	155.8	18.3	22.3	2.6
1969	929.5	186.9	20.1	157.9	17.0	29.0	3.1	183.6	19.8	158.4	17.0	25.2	2.7
1970	990.5	192.8	19.5	159.3	19.1	33.5	3.4	195.6	19.8	168.0	17.0	27.6	2.8
1971	1,057.1	187.1	17.7	151.3	14.3	35.8	3.4	210.2	19.9	177.3	16.8	32.8	3.1
1972	1,151.2	207.3	18.0	167.4	14.5	39.9	3.5	230.7	20.0	193.8	16.8	36.9	3.2
1973	1,285.5	230.8	18.0	184.7	14.4	46.1	3.6	245.7	19.1	200.1	15.6	45.6	3.5
1974	1,417.0	263.2	18.6	209.3	14.8	53.9	3.8	269.4	19.0	217.3	15.3	52.1	3.7
1975	1,523.5	279.1	18.3	516.6	14.2	62.5	4.1	332.3	21.8	271.9	17.8	60.4	4.0
1976	1,699.6	298.1	17.5	231.7	13.6	66.4	3.9	371.8	21.9	302.2	17.8	9.69	4.1
1977	1,935.8	355.6	18.4	278.7	14.4	76.8	4.0	409.2	21.1	328.5	17.0	80.7	4.2
1978	2.173.4	399.6	18.4	314.2	14.5	85.4	3.9	458.7	21.1	369.1	17.0	89.7	4.1
1979	2,452.2	463.3	18.9	365.3	14.9	98.0	4.0	503.5	20.5	403.5	16.5	100.0	4.1
1980	2,667.6	517.1	19.4	403.9	12.1	113.2	4.2	590.9	22.2	476.6	17.9	114.3	4.3
1981	2,986.2	599.3	20.1	469.1	15.7	130.2	4.4	678.2	22.7	543.0	18.2	135.2	4.5
1982	3,141.5	617.8	19.7	474.3	15.1	143.5	4.6	745.7	23.7	594.3	18.9	151.4	4.8
1983	3,320.9	9.009	18.1	453.2	13.6	147.3	4.4	808.3	24.3	661.2	19.9	147.1	4.4
1984	3,695.3	666.5	18.0	500.4	13.5	166.1	4.5	851.8	23.1	686.0	18.6	165.8	4.5
1985	3,936.8	734.1	18.6	547.9	13.9	186.2	4.7	946.3	24.0	769.5	19.5	176.8	4.5
1986 estimate	4,192.2	777.1	18.5	579.2	13.8	197.9	4.7	979.9	23.4	795.2	19.0	184.7	4.4
1987 estimate	4,538.1	850.4	18.7	636.1	14.0	214.3	4.7	994.0	21.9	795.4	17.5	198.6	4.4
1988 estimate	4,902.9	933.2	19.0	690.4	14.1	242.8	2.0	1,026.8	50.9	817.1	16.7	509.6	4.3
1989 estimate	5,268.9	996.1	18.9	732.5	13.9	263.7	2.0	1,063.6	20.2	843.8	16.0	219.9	4.2

\*0,05% or less. 1 Social Security trust funds. Note: Excludes the transition quarter.

Table 19. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1968-89—Continued

(Dollar amounts in billions)

				Surplus or deficit (-)	ficit (-)					Federal debt, end of year	end of year		
	Gross	Total	at	On-budget	dget	Off-budget	get 1	Gross	SS	Held by Government	vernment	Held by the public	ne public
Hscal year	product	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
890	852.4	1	-3.0	-27.7	-3.3	2.6	0.3	369.8	43.4	79.1	9.3	290.6	34.1
1969	929.5		0.3	-0.5	-0.1	3.7	0.4	367.1	39.5	87.7	9.4	279.5	30.1
1970	990.5		-0.3	-8.7	0.0	5.9	9.0	382.6	38.6	97.7	6.6	284.9	28.8
1971 1972	1,057.1	23.0 23.4	-2.2 -2.0	-26.1 -26.4	—2:5 —2:3	3.0	0.3	409.5	38.7	105.1	9.9 9.9	323.8	28.8
1973	1,285.5		-1.2	-15.4	-1.2	0.5	*	468.4	36.4	125.4	9.8	343.0	26.7
1974	1,417.0		-0.4	-8.0	9.0 —	1.8	0.1	486.2	34.3	140.2	9.6	346.1	24.4
1975	1,523.5	—53.2 —73.7	3.5   A.3	- 55.3	-3.6 -41	2.0	0.1	544.1	35.7	151.6	/ 6.8 6.8	396.9 480.3	26.1 28.3
1977	1,935.8		-2.8	-49.7	-2.6	-3.9	-0.2	709.1	36.6	157.3	8.1	551.8	28.5
1978	2,173.4	-59.2	-2.7	-54.9	-2.5	-4.3	-0.2	780.4	35.9	169.5	7.8	610.9	28.1
1979	2,452.2	-40.2	-1.6	-38.2	-1.6	-2.0	-0.1	833.8	34.0	189.2	7.7	644.6	26.3
1980	2,667.6	73.8	-2.8	-72.7	-2.7		* 0	914.3	34.3	199.2	J. 7	1.51/	20.8
1981	2,986.2 3 141 5		-2.b	-120.0	-3.8	0.67	-0.7	1,003.9	36.5	217.6	6.9	929.4	29.6
1983	3,320.9	-207.8	-6.3	-208.0	-6.3	0.2	*	1,381.9	41.6	240.1	7.2	1,141.8	34.4
1984	3,695.3		-5.0	-185.6	-5.0	0.3	*	1,576.7	42.7	264.2	7.1	1,312.6	35.5
1985	3,936.8	-212.3	-5.4	-221.6	-5.6	9.4	0.5	1,827.5	46.4	317.6	8.1	1,509.9	38.4
1986 estimate	4,192.2	-202.8	-4.8	-216.0	-5.2	13.2	0.3	2,112.0	50.4	398.0	9.5	1,714.0	40.9
1987 estimate	4,538.1	- 143.6 - 93.6	_3.2 19	- 159.3 - 126.8	12.5	33.2	0.7	2,320.b	51.2	560.3		1,948.7	39.7
1989 estimate	5,268.9	-67.5	-1.3	-111.3	-2.1	43.8	0.8	2,684.3	50.9	6.899		2,015.4	38.3

\*0.05% or less. 1 Social Security trust funds. Note: Excludes transition quarter.

Table 20. COMPOSITION OF OUTLAYS IN CURRENT PRICES: 1967-89

				Outlays	ays				Memorandum	mnpus
					Nondefense	ense				l
Fiscal year	Total	National defense	Total nonde- fense	Payments for individuals	All other grants <sup>1</sup>	Net Interest	Other	Undistrib- uted offsetting receipts	On-budget	Off- budget 2
2961	157.5	71.4	86.0	43.2	10.4	10.3	29.5	-7.3	137.0	20.4
1968	178.1	81.9	96.2	49.8	12.5	11.1	30.9	-8.0	155.8	22.3
1989	183.6	82.5	101.1	57.1	13.0	12.7	26.3	-8.0	158.4	25.2
1970	195.6	81.7	114.0	64.7	15.4	14.4	28.1	9.8	168.0	27.6
1671	210.2	78.9	131.3	80.4	17.7	14.8	28.5	- 10.1	177.3	32.8
1972	230.7	79.2	151.5	92.9	50.6	15.5	32.2	9.6	193.8	36.9
1973	245.7	7.97	169.0	104.5	28.1	17.3	32.5	-13.4	200.1	45.6
1974	269.4	79.3	190.0	120.1	28.7	21.4	36.5	-16.7	217.3	52.1
1975	332.3	86.5	245.8	153.5	33.3	23.2	49.4	-13.6	271.9	60.4
1976	371.8	9.68	282.2	180.1	39.4	7.97	50.4	-14.4	302.2	9.69
01	96.0	22.3	73.7	42.4	10.9	6.9	14.7	-4.2	9.9/	19.4
1977	409.2	97.2	312.0	196.3	46.1	29.9	54.5	-14.9	328.5	80.7
1978	458.7	104.5	354.2	211.0	53.7	35.4	6.69	-15.7	369.1	89.7
1979	503.5	116.3	387.1	232.9	55.9	45.6	73.2	-17.5	403.5	100.0
1980	590.9	134.0	456.9	277.5	59.4	52.5	87.4	- 19.9	476.6	114.3
1981	678.2	157.5	520.7	323.4	57.8	68.7	8.8	- 28.0	543.0	135.2
1982	745.7	185.3	560.4	356.7	50.3	82.0	94.5	-26.1	594.3	151.4
1983	808.3	209.9	598.4	395.3	20.8	868	96.5	-34.0	661.2	147.1
1984	821.8	227.4	624.4	399.8	53.2	1111	92.3	-32.0	0.989	165.8
1985.	946.3	252.7	693.6	425.6	97.6	129.4	113.7	-32.8	769.5	176.8
1986 estimate	979.9	265.8	714.1	445.9	58.2	142.7	103.0	-35.8	795.2	184.7
1987 estimate	994.0	282.2	711.8	458.8	20.2	148.0	95.5	- 38.1	795.4	198.6
1988 estimate	1,026.8	299.1	727.6	485.9	48.3	145.1	94.7	-46.4	817.1	509.6
1989 estimate	1,063.6	322.3	741.3	513.6	46.5	136.0	89.0	- 43.8	843.8	219.9

<sup>1</sup> Grants to State and local governments excluding those for payments for individuals, <sup>2</sup> Social security trust funds.

Table 21. COMPOSITION OF OUTLAYS IN CONSTANT (FISCAL YEAR 1982) PRICES: 1967-89

				Outlays	JAS .				Memorandum	mdum
					Nondefense	fense				
Fisal year	Total	National defense	Total nonde- fense	Payments for individuals	All other grants 1	Net Interest	Other	Undistrib- uted offsetting receipts	On-budget	Off- budget 2
	7 887	235.1	253.7	1146	33.3	28.6	103.1	_ 26.2	4346	54
130/	525.8	254.8	270.9	128.0	37.9	29.8	102.2	-27.2	468.3	57.4
1000	510.4	243.4	267.0	140.6	37.1	32.4	82.4	-25.5	448.7	61.7
1970	509.4	225.6	283.8	152.2	40.8	34.7	81.4	-25.4	444.7	64.6
1375	509.4	202.7	306.7	181.0	43.3	34.0	75.8	-27.3	435.7	73.6
1972	527.6	190.9	336.7	200.1	47.4	33.6	79.7	-24.1	448.4	79.2
1973	527.5	175.1	352.4	215.7	60.5	35.9	8.69	-28.1	433.4	94.1
197 <u>4</u>	528.7	163.3	365.3	228.3	26.8	41.1	71.9	-32.8	429.7	99.0
1975	586.0	159.8	426.2	265.8	58.5	40.4	84.9	-23.4	481.4	104.6
1976	8.609	153.6	456.2	291.7	64.3	43.0	80.1	-22.9	497.0	112.8
01	152.4	37.1	.115.3	71.2	17.3	10.8	22.5	<del>-</del> 6.4	121.9	30.5
1977	622.6	154.3	468.3	295.5	70.1	44.6	79.9	-21.7	201.0	121.5
1978	652.2	155.0	497.1	296.8	75.7	49.4	97.0	-21.7	526.0	126.2
1979	660.2	159.1	501.0	301.6	71.8	54.7	95.9	-22.9	530.7	129.5
1980	699.1	164.0	535.1	324.7	68.4	62.0	103.8	-23.8	565.4	133.7
1981	726.5	171.4	522	344.3	61.3	73.7	106.0	- 30.1	582.7	143.9
1982	745.7	185.3	560.4	356.7	50.3	82.0	94.5	-26.1	594.3	151.4
1983	776.5	200.8	575.7	379.3	48.8	86.1	92.0	-33.4	635.8	140.7
1984	788.8	210.4	578.4	368.7	49.1	102.5	9.88	- 30.6	636.1	152.8
1985	846.1	226.7	619.4	379.6	50.5	115.3	103.7	-29.6	688.5	157.6
1986 extimate	850.0	232.0	617.9	384.9	49.3	123.1	92.5	-31.8	690.7	159.2
1987 extimate	829.4	237.6	591.9	380.6	41.1	122.6	80.5	-33.0	6.64.9	164.5
1988 estimate	824.7	242.5	582.2	388.2	37.6	115.7	79.7	- 38.9	97.29	167.1
1989 estimate	829.9	256.2	573.7	396.7	34.9	104.9	72.6	-35.5	660.5	169.5

a Grants to State and local governments exoluting those for payments for individuals. 2 Social security trust funds.

Table 22. TOTAL RECEIPTS AND OUTLAYS, 1789-1991 (in millions of dollars)

Fiscal year	Receipts	Outlays	Surplus or deficit ( — )	Fiscal year	Receipts	Outlays	Surplus or deficit ( —
789–1849	1,160	1,090	+70	1945	45,159	92,712	<b>— 47,5</b>
850-1900	14,462	15,453	-991	1946	39,296	55,232	-15,93
	588	525	+63	1947	38,514	34,496	+4,0
901				1948	41,560	29,764	+11,7
.902	562	485	+77				
903	562	517	+45	1949	39,415	38,835	+5
904	541	584	<b>-43</b>	1950	39,443	42,562	-3,1
905	544	567	-23				
906	595	570	+25	1951	51,616	45,514	+6.1
				1952	66,167	67,686	-1,5
907	666	579	+87	1953	69,608	76.101	-6.4
.908	602	659	<b>—</b> 57	1954	69,701	70,855	- 1,1
909	604	694	<b>— 89</b>				
910	676	694	-18	1955	65,451	68,444	-2,9
.010	970	001	10	1956	74,587	70,640	+3,9
011	700	CO1	. 11	1957	79,990	76,578	+3,4
911	702	691	+11	1958	79,636	82,405	-2,7
.912	693	690	+3	1959	79,249	92,098	-12.8
913	714	715	_*	1960	92,492	92,191	+3
914	725	726	_*	1300	32,432	32,131	T-3
915	683	746	-63	1001	04.000	07 700	2.2
				1961	94,388	97,723	-3,3
916	761	713	+48	1962	99,676	106,821	<b>—7,1</b>
.917	1,101	1,954	<b>— 853</b>	1963	106,560	111,316	<b>— 4,7</b>
918	3.645	12,677	-9,032	1964	112,613	118,528	<b>—</b> 5.9
919	5,130	18,493	-13,363	1965	116,817	118,228	-1,4
920	6,649	6,358	+ 291	1966	130,835	134,532	-3,6
320	0,043	0,556	7- 231				
				1967	148,822	157,464	-8,6
921	5,571	5,062	+ 509	1968	152,973	178,134	<b>— 25,1</b>
922	4,026	3,289	+736	1969	186,882	183,640	+3,2
923	3,853	3,140	+713	1970	192,807	195,649	-2,8
1924	3,871	2,908	+963				
		-,		1971	187.139	210,172	-23.0
925	3,641	2,924	+717	1972	207,309	230,681	-23,3
926	3,795	2,930	+865				
1927	4,013	2,857	+1,155	1973	230,799	245,707	- 14,9
928	3,900	2,961	+939	1974	263,224	269,359	<b>-6,1</b>
1929	3,862	3,127	+734	1975	279,090	332,332	<b>—</b> 53,2
				1976	298,060	371,779	-73,7
1930	4,058	3,320	+738	TQ	81,232	95,973	- 14,7
				1977	355,559	409,203	- 53,6
1931	3,116	3,577	<b> 462</b>		399,561	458,729	<b>— 59.1</b>
1932	1,924	4,659	<b>— 2,735</b>	1978			,
1933	1,997	4,598	-2,602	1979	463,302	503,464	<b>— 40,1</b>
	,	,	-2,002 $-3,586$				
1934	2,955	6,541		1980	517,112	590,920	<b>—73,8</b>
1935	3,609	6,412	<b> 2,803</b>	1981	599,272	678,209	<b>—78,9</b>
1936	3,923	8,228	<b> 4,304</b>	1982	617,766	745,706	- 127.9
1937	5,387	7,580	-2.193	1983	600,562	808,327	- 207,7
1938	6,751	6.840	-89			851,781	-185.3
		9.141	-2.846	1984	666,457		
1939	6,295		,	1985	734,057	946,323	-212,2
1940	6,548	9,468	<b>— 2,920</b>	1986 est	777,139	979,928	-202,7
				1987 est	850,372	994,002	<b>— 143,6</b>
1941	8.712	13,653	<b>-4,941</b>	1988 est	933,179	1.026.765	- 93.5
1942	14,634	35,137	-20.503	1989 est	996,115	1,063,619	- 67.5
1943				1000 cst			-35,7
1441	24,001	78,555	<b></b> 54,554	1990 est	1,058,096	1,093,848	
1944	43,747	91,304	<b>— 47,557</b>	1991 est	1,124,039	1,122,716	+1.3

<sup>\*\$500</sup> thousand or less.
Data for 1789–1933 are for the administrative budget; data for 1934 and all following years are for the unified budget.
Beginning in 1937, includes amounts for Social Security trust funds that are off-budget. See table 23 for details.

Table 23. ON-BUDGET AND OFF-BUDGET RECEIPTS AND OUTLAYS, 1937-1991 (In millions of dollars)

		On-budget		_		Off-budget	
Fiscal year	Receipts	Outlays	Surplus or deficit (—)	Fiscal year	Receipts	Outlays	Surplus or deficit (—)
1937	5,122	7,582	-2,460	1937	265	-2	+267
1938	6,364	6.850	-486	1938	387	-10	+397
1939	5,792	9,154	-3,362	1939	503	-13	+516
1940	5,998	9,482	-3,484	1940	550	<b>—14</b>	+ 564
1941	8,024	13,618	- 5,594	1941	688	35	+653
1942	13,738	35,071	-21,333	1942	896	66	+830
1943	22,871	78,466	- 55,595	1943	1,130	89	+1,041
1944	42,455	91,190	- 48,735	1944	1,292	114	+1,178
1945	43,849	92,569	<b>— 48,720</b>	1945	1,310	143	+1,167
1946	38,057	55,022	16,964	1946	1,238	210	+1,028
1947	37,055	34,193	+2,861	1947	1,459	303	+1,157
1948	39,944	29,396	+10,548	1948	1,616	368	+1,248
1949	37,724	38,408	<b> 684</b>	1949	1,690	427	+1,263
1950	37,336	42,038	<b> 4,702</b>	1950	2,106	524	+1,583
1951	48,496	44,237	+4,259	1951	3,120	1,277	+1,843
1952	62,573	65,956	-3,383	1952	3,594	1,730	+1,864
1953	65,511	73,771	<b>— 8,259</b>	1953	4,097	2,330	+1,766
1954	65,112	67,943	-2,831	1954	4,589	2,912	+1,677
1955	60,370	64,461	<b></b> 4,091	1955	5,081	3,983	+1,098
1956	68,162	65,668	+2,494	1956	6,425	4,972	+1,452
1957	73,201	70,562	+2,639	1957	6,789	6,016	+773
1958	71,587	74,902	-3,315	1958	8,049	7,503	+546
1959	70,953	83,102	<b>—12,149</b>	1959	8,296	8,996	<b>—700</b>
1960	81,851	81,341	+510	1960	10,641	10,850	<b>— 209</b>
1961	82,279	86,046	_3,766	1961	12,109	11,677	+431
1962	87,405	93,286	- 5,881	1962	12,271	13,535	-1,265
1963	92,385	96,352	-3,966	1963	14,175	14,964	<b>—789</b>
1964	96,248	102,794	-6,546	1964	16,366	15,734	+632
1965	100,094	101,699	-1,605	1965	16,723	16,529	+194
1966	111,749	114,817	<b>—3,068</b>	1966	19,085	19,715	<b>-630</b>
1967	124,420	137,040	-12,620	1967	24,401	20,424	+3,978
1968	128,056	155,798	-27,742	1968	24,917	22,336	+2,581
1969	157,928	158,436	-507	1969	28,953	25,204	+3,749
1970	159,348	168,042	-8,694	1970	33,459	27,607	+5,852
1971	151,294	177,346	<b>—26,052</b>	1971	35,845	32,826	+3,019
1972	167,402	193,824	- 26,423	1972	39,907	36,857	+3,050
1973	184,715	200,118	<b>—</b> 15,403	1973	46,084	45,589	+495
1974	209,299	217,270	<b>—7,971</b>	1974	53,925	52,089	+1,836
1975	216,633	271,892	<b>—</b> 55,260	1975	62,458	60,440	+2,018
1976	231,671	302,170	<b>—70,499</b>	1976	66,389	69,609	-3,220
TQ	63,216	76,552	-13,336	TQ	18,016	19,421	-1,405
1977	278,741	328,487	<b>-49,745</b>	1977	76,817	80,716	-3,899
1978	314,169	369,072	- 54,902	1978	85,391	89,657	-4,266
1979	365,309	403,486	-38,178	1979	97,994	99,978	-1,984
1980	403,903	476,591	<b>—72,689</b>	1980	113,209	114,329	-1,120

Table 23. ON-BUDGET AND OFF-BUDGET RECEIPTS AND OUTLAYS, 1937—1991—Continued

(In millions of dollars)

_		On-budget				Off-budget	
Fiscal year	Receipts	Outlays	Surplus or deficit (—)	Fiscal year	Receipts	Outlays	Surplus or deficit (—)
	100 007	F.10.010	70.010		100 170		
1981	469,097	543,013	<b>—73,916</b>	1981	130,176	135,196	-5,020
1982	474,299	594,302	-120,003	1982	143,467	151,404	7,937
1983	453,242	661,219	<b>— 207,977</b>	1983	147,320	147,108	+212
1984	500.382	685,968	-185,586	1984	166.075	165.813	+262
1985	547,886	769,515	-221,629	1985	186,171	176,807	+9,363
1986 est	579,201	795,185	<b>— 215,984</b>	1986 est	197,938	184,743	+13,195
1987 est	636.097	795,386	-159.288	1987 est	214.275	198,617	+15.658
1988 est	690,350	817.115	-126.765	1988 est	242,829	209,650	+33.179
1989 est	732,461	843.764	-111.304	1989 est	263,654	219.855	+43.799
1990 est	771,948	862,082	<b>-90,134</b>	1990 est	286.148	231.766	+ 54,382
	•	•		91	,		
1991 est	818,603	884,253	<b></b> 65,650	1991 est	305,436	238,463	+66,973

Oata for all years for the unified budget. Transactions of the social security trust funds are presented off-budget for all years. In calendar year 1976, the Federal fiscal year was converted from a July 1-June 30 basis to an Oct. 1-Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

# DEPARTMENT OF AGRICULTURE

#### OFFICE OF THE SECRETARY

#### Federal Funds

#### General and special funds:

#### OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary, \$5,538,000, including not to exceed \$75,000 for employment under 5 U.S.C. 3109: Provided, That not to exceed \$8,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary. (7 U.S.C. 2201-2202.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

ldentificat	tion code 12-0115-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Office of the Secretary and Deputy Sec-			
00.01		2 422	1 720	1.70/
00.00	retary	2,432	1,739	1,79
00.02	Administration	414	481	49
00.03	Governmental and public affairs	256	335	34
00.04	Economics	366	471	48
00.05	Science and education	318	369	38
00.06	Marketing and inspection services	247	345	35
00.07	International affairs and community pro-	24,	545	55.
00.07		404	400	514
	grams	424	499	513
80.00	Small community and rural development	314	787	422
00.09	Natural resources and environment	301	384	39
00.10	Food and consumer services	245	348	358
00.91	Total direct program	5,317	5,758	5,53
01.01	Reimbursable program	1,101	987	899
10.00	Total obligations	6,418	6,745	6,43
F	inancing:			
11.00	Offsetting collections from: Federal funds	1,101	<b>— 987</b>	<b>— 89</b>
25.00	Unobligated balance lapsing	28		
39.00	Budget authority	5,345	5,758	5,53
В	udget authority:			
40.00	Appropriation	5.305	5.735	5.538
40.00	Reduction pursuant to P.L. 99-190		<b>– 35</b>	-,
42.00	Transferred from other accounts	40	58	
43.00	Appropriation (adjusted)	5,345	5,758	5,53
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	5,317	5,758	5,53
72.10	Receivables in excess of obligations, start	0,017	0,700	5,55
, 2.10		<b>— 571</b>	-418	41
7410	of year	- 3/1	-410	41
74.10	Receivables in excess of obligations, end of			
	year	418	418	41
77.00	Adjustments in expired accounts	23		
90.00	Outlays	5.186	5,758	5.53

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
nacted/requested:			
Budget authority	5,345	5,758	5,538
Outlays	5,186	5,758	5,538
Reduction pursuant to P.L. 99-177:	·		
Budget authority		<b>— 248</b>	

Outlays		<b>— 239</b>	-9
Total: Budget authorityOutlays	5,345	5,510	5,538
	5,186	5,519	5,529

The Office of the Secretary covers the overall planning, coordination, and administration of the Department's programs. This includes the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staffs, who provide top policy guidance for the Department; maintain relationships with agricultural organizations and others in the development of farm programs; and provide liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

## Object Classification (in thousands of dollars)

Identific	ation code 12-0115-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	3,526	3,709	3,664
11.5	Other personnel compensation	85	41	40
11.9	Total personnel compensation	3,611	3,750	3,704
12.1	Personnel benefits: Civilian	363	435	429
21.0	Travel and transportation of persons	174	300	226
22.0	Transportation of things	6	2	3
23.2	Rental payments to others	25		19
23.3	Communications, utilities, and miscella-			
	neous charges	529	544	395
24.0	Printing and reproduction	200	267	237
25.0	Other services	286	377	408
26.0	Supplies and materials	98	70	100
31.0	Equipment	25	13	17
99.0	Subtotal, direct obligations	5,317	5,758	5,538
99.0	Reimbursable obligations	1,101	987	899
99.9	Total obligations	6,418	6,745	6,437
	Personnel Sumi	mary		
	number of full-time permanent positions	83	83	83
	compensable workyears: I-time equivalent employment	95	95	95

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identification code 12-0115-6-1-352		1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>— 248</b>	•••••
40.00	inancing: Budget authority (appropriation)		<b>— 248</b>	***************************************
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>— 248</b>	
72.40	Obligated balance, start of year			-9
74.40	Obligated balance, end of year		9	
90.00	Outlays		<b>— 239</b>	_9

General and special funds-Continued

OFFICE OF THE SECRETARY—Continued

Reduction Pursuant to Public Law 99-177-Continued

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

Trust Funds
GIFTS AND BEQUESTS

Program and Financing (in thousands of dollars)

Identificat	tion code 12-8203-0-7-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	182	173	119
F	inancing:			
21.40	Unobligated balance available, start of year	<b>— 53</b>	<b>— 84</b>	<b> 58</b>
24.40	Unobligated balance available, end of year	84	58	40
60.00	Budget authority (appropriation) (permanent, indefinite)	213	147	101
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	182	175	119
72.40	Obligated balance, start of year	90	88	86
74.40	Obligated balance, end of year	<u>88</u>	<u> </u>	104
90.00	Outlays	184	175	101

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269).

Object Classification (in thousands of dollars)

Identifica	tion code 12-8203-0-7-352	1985 actual	1986 est.	1987 est.
21.0 23.3	Travel and transportation of persons	137	80	55
	ous charges	43	41	28
24.0	Printing and reproduction	1	1	1
25.0	Other services		50	34
26.0	Supplies and materials	1	1	1
99.9	Total obligations	182	173	119

#### DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

## DEPARTMENTAL ADMINISTRATION

For Budget and Program Analysis. \$3,732,000; for Personnel, Finance and Management, Operations, Information Resources Management, Advocacy and Enterprise, and Administrative Law Judges and Judicial Officer, \$18,188,000; making a total of \$21,920,000 for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration and emergency preparedness of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558. (5 U.S.C. 5901; 7 U.S.C. 2201, 2202, 2231, 2235; 42 U.S.C. 200d.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the

extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-0120-0-1-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Budget and program analysis	3,607	3,773	3,732
00.02	Personnel	2,707	2,846	4,880
00.03	Finance and management	2,468	2,675	3,437
00.04	Operations	2,525	2,479	2.381
00.05	Information resources management	4,101	4.115	3,778
00.06	Advocacy and enterprise	2,415	2,444	2,826
00.07	Administrative law judges and judicial	-,	=,	_,
	officer	770	842	886
00.91	Total direct program	18,593	19,174	21,920
01.01	Reimbursable program	26,630	13,559	4,502
10.00	Total obligations	45,223	32,733	26,422
F	inancing:			
11.00	Offsetting collections from: Federal funds	26,630	-13,559	<b> 4,502</b>
25.00	Unobligated balance lapsing	451		
39.00	Budget authority	19,044	19,174	21,920
В	udget authority:		-	
40.00	Appropriation	18,868	19,130	21,920
40.00	Reduction pursuant to P.L. 99-190		-115	
42.00	Transferred from other accounts	176	159	
43.00	Appropriation (adjusted)	19,044	19,174	21,920
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	18,593	19,174	21,920
72.40	Obligated balance, start of year	4,224	10,741	10,741
74.40	Obligated balance, end of year	-10,741	-10,741	-10,741
77.00	Adjustments in expired accounts	312		
90.00	Outlays	12,389	19,174	21,920

900

Note.—Includes \$159 thousand in 1986 for activities previously financed from the Office of Grants and Program Systems. he comparable amount for 1985 is \$159 thousand.

## SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	19.044	19.174	21.920
Outlays	12.389	19.174	21.920
Reduction pursuant to P.L. 99-177:	,	,	,
Budget authority		<b>— 824</b>	
Outlays		- 732	<b>—92</b>
outayo			
Total:			
Budget authority	19,044	18,350	21,920
Outlays	12,389	18,442	21.828
•	-,	-,	,

Budget and program analysis.—This activity provides direction and administration of the Department's budgetary functions including development, presentation, execution, control, reporting and adjusting fund and manpower resources; evaluates program and legislative proposals for program, budget and related resource implications; develops and maintains a mission-oriented program structure which defines Department missions, goals and objectives for the purpose of establishing long- and short-range program planning and to aid the Secretary and other departmental and agency officials in making management decisions regarding the Department's programs and resources. Analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid departmental policy offi-

cials and agency program managers in the decisionmaking process.

Personnel.—This activity provides general liaison, direction, leadership coordination and monitoring of the personnel management program in the Department. Department policies and procedures relating to all personnel functions are promulgated, and operational services are provided to the Office of the Secretary, Office of the General Counsel, Office of Governmental and Public Affairs, Office of Budget and Program Analysis, and those agencies under Departmental administration reporting to the Assistant Secretary for Administration.

Finance and management.—This activity provides Departmental leadership, development and evaluation of programs in finance, accounting, Federal assistance, occupational safety and health, productivity and management improvements. The Director serves as the Department's finance officer, management improvement officer and comptroller of the Working Capital Fund. Finance and Management also provides budget, accounting and fiscal services for the Departmental staff offices, Office of the General Counsel, Office of Governmental and Public Affairs, and the Office of the Secretary.

Operations.—This activity provides staff and support services in the management of real and personal property, procurement, contracts, supplies, motor vehicles and internal energy conservation to the USDA agencies, including those in the Washington, D.C., complex.

Information resources management.—This activity designs, implements and revises systems, processes, work methods and techniques to improve the management of information resources and the operational effectiveness of USDA. The Director serves as the Department's clearance officer for statistical reporting and information collection. This activity also provides telecommunications and ADP services to USDA agencies and staff offices, including the Washington Computer Center, Fort Collins Computer Center, and Kansas City Computer Center.

Advocacy and enterprise.—This activity provides leadership, direction and coordination for the Department's programs for civil rights, which include program delivery, compliance and equal employment opportunity; and for efforts to further participation of minority colleges and universities in Departmental programs. It provides oversight of all procurement activities to assure maximum participation of small and disadvantaged business in the process; and directs and monitors agency compliance in promoting full and open competition in procurement.

Administrative law judges and judicial officer.—The administrative law judges hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the Department or on some petitions filed by private parties asking relief from some action of the Department. Final administrative decisions in regulatory proceedings are rendered by the Judicial Officer.

Object	Classification	(in	thousands	of	dollars)	
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IdenIifica	alion code 12-0120-0-1-352	1985 actual	1986 esl.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	13,026	13,319	15,229
11.3	Other than full-time permanent	256	258	264
11.5	Other personnel compensation	259	258	260
11.9	Total personnel compensation	13,541	13,835	15,753
12.1	Personnel benefits: Civilian	1,434	1,614	1,755
13.0	Benefits for former personnel	44	71	39
21.0	Travel and transportation of persons	223	261	262
22.0	Transportation of things	10	14	9
23.2	Rental payments to others	10	10	11
23.3	Communications, utilities, and miscella-			
	neous charges	676	1,070	1,143
24.0	Printing and reproduction	261	256	321
25.0	Other services	1,355	1,489	2,076
26.0	Supplies and materials	408	379	283
31.0	Equipment	604	105	198
32.0	Lands and structures	27		
41.0	Grants, subsidies, and contributions		70	70
99.0	Subtotal, direct obligations	18,593	19,174	21,920
99.0	Reimbursable obligations	26,630	13,559	4,502
99.9	Total obligations	45,223	32,733	26,422
	Personnel Sum	mary		
	number of full-time permanent positions	545	532	518
	ompensable workyears: -time equivalent employment	534	521	512
	-time equivalent of overtime and holiday	007	021	011
	ours	6	5	6

## Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-0120-6-1-352	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>—824</b>	
40.00	inancing: Budget authority (appropriation)		<b>-824</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		824	
72.40	Obligated balance, start of year			<b>-9</b> 2
74.40	Obligated balance, end of year		92	
90.00	Outlays			<b>—9</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# [Standard Level User Charges (USDA)] Rental Payments and Building Operations

For payment of space rental and related costs, pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, \$57,380,000: Provided, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 per centum of the funds made available for space rental and related costs to or from this account.

For the operation, maintenance, and repair of the Washington, D.C., Agriculture building complex pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486, \$18,800,000. (7 U.S.C. 2201, 2202, 2208).

### General and special funds-Continued

[Standard Level User Charges (USDA)] Rental Payments and Building Operations—Continued

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identifica	tion code 12-0117-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Standard level user charges	52,767	51,013	57,380
00.02	Building operations and maintenance	13,800	17,693	18,800
00.91	Total direct program	66,567	68,706	76,180
01.01	Reimbursable program		800	800
10.00	Total obligations	66,567	69,506	76,980
F	inancing:			
11.00	Offsetting collections from: Federal funds		-800	-800
25.00	Unobligated balance lapsing	327		
39.00	Budget authority	66,894	68,706	76,180
В	sudget authority:			
40.00	Appropriation	67,254	71,254	76,180
40.00	Reduction pursuant to P.L. 99-190		<b>— 428</b>	
41.00	Transferred to other accounts	<u> — 360</u>		
43.00	Appropriation (adjusted)	66,894	68,706	76,180
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	66,567	68,706	76,180
72.10	Receivables in excess of obligations, start	,	·	,
	of year		<b>— 469</b>	
72.40	Obligated balance, start of year	3,041		
74.10	Receivables in excess of obligations, end of			
	year	469		
77.00	Adjustments in expired accounts	<u> 68</u>		
90.00	Outlays	70,009	68,237	76,180
Distribu	ition of budget authority by account:			
Build	ding Operations and Maintenance		53,133	
Rent	al Payments and Building Operations (for-			
n	nerly Standard Level User Charges)	66,894	15,573	76,180
Distribu	ition of outlays by account:			
	fing Operations and Maintenance		51,177	1.956
Rent	al Payments and Building Operations (for-			,
	nerly Standard Level User Charges)	70,009	17,060	74,224

## SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

ſΙn	thousands	nf	Carelloh	

[iii thosanas or asiars]						
Facehold (seemaked	1985 actual	1986 estimate	1987 estimate			
Enacted/requested:						
Budget authority	66.894	68.706	76.180			
Outlays	70,009	68,237	76,180			
Reduction pursuant to P.L. 99-177:	,	00,207	70,100			
Budget authority		-3.046				
Outlays		- 2,852	<u> </u>			
Total:						
Budget authority	66,894	65,660	76,180			
Outlays	70,009	65,385	75,986			
	,	-,-	-,			

This annual account finances the General Services Administration's fees formerly known as "Standard Level User Charges" or "SLUC" for rental of space and related services. The appropriation covers all fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service.

In fiscal year 1985, this account financed the operation and maintenance of the Department five-building D.C. Complex.

Object Classification (in thousands of dollars)

Identificati	on code 12-0117-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent		1,365	1,37
11.5	Other personnel compensation		75	8
11.9	Total personnel compensation		1,440	1,45
12.1	Personnel benefits: Civilian		153	16
13.0	Benefits for former personnel		7	
21.0	Travel and transportation of persons		4	
22.0	Transportation of things		3	
23.1	Standard level user charges	66,567	51,013	57,38
23.3	Communications, utilities, and miscella-			
	neous charges		4,995	5,23
24.0	Printing and reproduction		40	4
25.0	Other services		10,812	11,64
26.0	Supplies and materials		74	7
31.0	Equipment		165	17
99.0	Total, direct obligations	66,567	68,706	76,18
99.0	Reimbursable obligations		800	80
99.9	Total obligations	66,567	69,506	76,98
	Personnel Sum	mary		
	mber of full-time permanent positions		51	5
	mpensable workyears: ime equivalent employment		51	5
			31	J
Full-time equivalent of overtime and holiday hours			4	
	Reduction Pursuant to P	ublic Law	99-177	

#### Program and Financing (in thousands of dollars)

Program and Financing (III thousands of donals)							
Identificat	tion code 12-0117-6-1-352	1985 actual	1986 est.	1987 est.			
Р	rogram by activities:						
10.00	Total obligations		<b>— 3,046</b>				
F	inancing:						
40.00	Budget authority (appropriation)		-3,046				
R	elation of obligations to outlays:						
71.00	Obligations incurred, net		-3,046				
72.40	Obligated balance, start of year			<b>— 194</b>			
74.40	Obligated balance, end of year		194				
90.00	Outlays		- 2,852	-194			

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

## Advisory Committees (USDA)

For necessary expenses for activities of Advisory Committees of the Department of Agriculture, \$1,323,000: Provided, That no other funds in this Act shall be available to the Department of Agriculture for support of activities of Advisory Committees. (7 U.S.C. 2233)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

	Program and Financing (in thousands of dollars)						
Identifica	tion code 12-0118-0-1-352	1985 actual	1986 est.	1987 est.			
10.00	Program by activities: Total obligations	1,305	1,315	1,323			
25.00	inancing: Unobligated balance lapsing	80					
39.00	Budget authority	1,385	1,315	1,323			
В	udget authority:						
40.00 40.00	Appropriation	1,385	1,323 8	1,323			
43.00	Appropriation (adjusted)	1,385	1,315	1,323			
R	elation of obligations to outlays:						
71.00	Obligations incurred, net	1,305	1,315	1,323			
72.40	Obligated balance, start of year	215	661	661			
74.40	Obligated balance, end of year	-661	-661	-661			
77.00	Adjustments in expired accounts	213					
90.00	Outlays	1,072	1,315	1,323			

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dol	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	1,385	1,315	1,323
Outlays	1,072	1,315	1,323
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>— 57</b>	
Outlays			
Total:			
Budget authority	1,385	1,258	1,323
Outlays	1,072	1,287	1,294

The Federal Advisory Committee Act (Public Law 92-463) was passed in 1972 to recognize a means by which committees and similar groups provide expert advice to officers of the Federal Government. This account provides for direction and financial support of all authorized Department of Agriculture advisory committee activities other than those included in the Forest Service or financed by other than appropriated funds.

# Object Classification (in thousands of dollars)

Identifica	alion code 12-0118-0-1-352	1985 actual	1986 est.	1987 esi.
11.1	Personnel compensation: Full-time perma-			
	nent	464	465	468
12.1	Personnel benefits: Civilian	41	47	47
21.0	Travel and transportation of persons	444	508	512
22.0	Transportation of things	1	4	4
23.3	Communications, utilities, and miscellane-			
	ous charges	2	11	11
24.0	Printing and reproduction	6	32	32
25.0	Other services	304	225	226
26.0	Supplies and materials	37	18	18
31.0	Equipment	6	5	5
99.9	Total obligations	1,305	1,315	1,323
	Personnel Sum	mary		
	compensable workyears: Full-time equivalent	14	14	14

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	tion code 12-0118-6-1-352	1985 actual	1986 est.	1987 esi.
	Program by activities: Total obligations		<b>– 57</b>	
40.00	inancing: Budget authority (appropriation)		<b>—57</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>— 57</b>	
72.40	Obligated balance, start of year			<b>— 29</b>
74.40	Obligated balance, end of year		29	
90.00	Outlays		- 28	-29

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Intragovernmental funds:

#### WORKING CAPITAL FUND

To increase the Government's equity in this fund and to provide for the purchase of automated data processing, data communication, and other related equipment necessary for the provision of Departmental centralized services to the agencies, \$6,000,000. (7 U.S.C. 2235.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	tion code 12-4609-0-4-352	1985 actual	1986 est.	1987 est.
P	Program by activities:			
	Operating expenses:			
00.01	Supply and other central services	6,280	6,545	8,212
00.02	Reproduction services	3,441	3,405	2,471
00.03	Video and film, photographic, and other		· ·	•
•••••	visual information services	3,269	3,045	2,905
00.04	National Finance Center: Cost of	-,	-,	_,
00.01	services	44,105	45,310	48.940
00.05	ADP systems: Cost of services	39,476	42,827	49,015
00.03	ADI SYSTEMS, COST OF SERVICES			
00.91	Total operating expenses	96,571	101,132	111,543
	Purchase of equipment:			
01.01	Supply and other central services	23	15	100
01.02	Reproduction services	128	125	449
01.03	Video and film, photographic and other			
	visual information services	122	163	81
01.04	National Finance Center	5,995	3.284	12,214
01.05	ADP systems	2,820	9,075	1,864
	· ·		10.000	14.700
01.91	Total purchase of equipment	9,088	12,662	14,708
10.00	Total obligations	105,659	113,794	126,251
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	<b> 98,267</b>	-107.430	-119,851
14.00	Non-Federal sources	<b>-354</b>	-400	-400
17.00	Recovery of prior year obligations	-4.492		
21.98	Unobligated balance available, start of	1,102		
21.30	year: Fund balance	-4.633	-8.086	-8.086
24.98	Unobligated balance available, end of year:	-4,000	-0,000	- 0,000
24.50	Fund balance	8,086	8.086	8,086
39.00	Budget authority	6,000	5,964	6,000
6	Budget authority:			
40.00	Appropriation	6,000	6,000	6.000
40.00	Reduction pursuant to P.L. 99 — 190	-,-50	-36	2,500
. 0.00	· ·			
43.00	Appropriation (adjusted)	6,000	5,964	6,000

#### Intragovernmental funds—Continued

#### WORKING CAPITAL FUND-Continued

#### Program and Financing (in thousands of dollars) - Continued

Identificat	tion code 12-4609-0-4-352	1985 actual	1986 est.	1987 est.
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	7,038	5,964	6,000
72.98	Obligated balance, start of year: Fund balance	5,101	2,246	2,246
74.98	Obligated balance, end of year: Fund bal- ance	<b>-2,246</b>	<b>-2,246</b>	<b>— 2,24</b> 6
77.00	Adjustments in expired accounts	-1		
78.00	Adjustments in unexpired accounts	<b>-4,492</b>		
90.00	Outlays	5,401	5,964	6,000

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating, photographic, and other visual information services, art and graphics, video and film services, supply, centralized accounting systems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and ADP systems. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and accumulated earnings of \$751 thousand as of September 30, 1985. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund. The 1987 budget includes an appropriation request of \$6 million for capital equipment acquisition.

# Object Classification (in thousands of dollars)

Identifica	tion code 12-4609-0-4-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	31,373	32,750	32,818
11.3	Other than full-time permanent	1,960	1,018	1,337
11.5	Other personnel compensation	2,119	1,677	2,560
11.9	Total personnel compensation	35,452	35,445	36,71
12.1	Personnel benefits: Civilian	4,482	4,027	4,114
13.0	Benefits for former personnel	158	189	170
21.0	Travel and transportation of persons	525	679	738
22.0	Transportation of things	169	220	247
23.1	Standard level user charges	2,771	2,709	3,011
23.2	Rental payments to others	22,484	23,475	25,608
23.3	Communications, utilities, and miscellane-			
	ous charges	4,038	4,539	5,240
24.0	Printing and reproduction	744	1,276	1,31
25.0	Other services	16,081	17,863	21,639
26.0	Supplies and materials	5,512	5,869	5,830
31.0	Equipment	10,075	12,883	14,934
43.0	Interest and dividends	21		
92.0	Depreciation	3,147	4,620	6,694
99.9	Total obligations	105,659	113,794	126,251
	Personnel Sum	mary		
	number of full-time permanent positions	1,550	1,518	1,50
	compensable workyears:	1 470	1 407	1.40
	-time equivalent employment	1,472	1,467	1,40
	-time equivalent of overtime and holiday nours	124	121	159

# OFFICE OF GOVERNMENTAL AND PUBLIC **AFFAIRS**

#### Federal Funds

#### General and special funds:

# OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress, \$7,624,000, of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins: Provided, That in the preparation of motion pictures of exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

For necessary expenses for liaison with the Congress on legislative

matters, \$486,000.

For necessary expenses for programs involving intergovernmental affairs and liaison within the executive branch, \$460,000. (5 U.S.C. 5901; 7 U.S.C. 2201, 2202, 2231, 2235; 42 U.S.C. 2000d.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided by the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-0130-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Public affairs	6,613	6,717	7,624
00.02	Congressional relations	420	492	486
00.03	Intergovernmental affairs	473	464	460
00.91	Total direct program	7,506	7,673	8,570
01.01	Reimbursable program	1,243	1,556	47
10.00	Total obligations	8,749	9,229	8,617
F	inancing:			
11.00	Offsetting collections from: Federal funds	-1,243	-1,556	47
25.00	Unobligated balance lapsing	151		
39.00	Budget authority	7,657	7,673	8,570
В	udget authority:			
40.00	Appropriation	7,657	7,720	8,570
40.00	Reduction pursuant to P.L. 99-190		<b>— 47</b>	
43.00	Appropriation (adjusted)	7,657	7,673	8,570
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	7,506	7,673	8,570
72.40	Obligated balance, start of year	2,467	1,611	1,611
74.40	Obligated balance, end of year	-1,611	-1,611	-1,611
77.00	Adjustments in expired accounts	<b>—616</b>		
90.00	Outlays	7.746	7,673	8,570

SUMMART OF BUDGET AUTHO	MIII AND	UUILAIS	
[In thousands of dol	la _		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	7,657	7,673	8,570
Outlays	7,746	7,673	8,570
Reduction pursuant to P.L. 99-177:			
Budget authority		330	
Outlays		<b>— 261</b>	<b>—69</b>
·Total:			
10101	7.057	7 242	0.570
Budget authority	7,657	7,343	8,570
Outlays	7,746	7,412	8,501
TO 1.11 00 1 PTO 1 11 11			1 11

Public affairs.—This activity provides general direction, leadership, and coordination of the Department's information program. The major objective is to provide a balanced and useful information program that reports to rural and urban publics on USDA's research, action, regulatory and other activities using all communications media in order to obtain better understanding among the general public and the agricultural industry of agriculture's services to farmers and to society.

Congressional relations.—This activity includes responsibility for maintaining liaison with the Congress and the White House on legislative matters of concern to the Department and for the coordination of all Congressional matters except congressional appropriation.

Intergovernmental affairs.—This activity provides for overall direction and coordination in the development and implementation of policies and procedures applicable to the Department's intra- and intergovernmental relations.

Object Classification (in thousands of dollars)

Identifica	tion code 12-0130-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	4,220	4,459	4,671
11.3	Other than full-time permanent	70	74	78
11.5	Other personnel compensation	118	125	131
11.9	Total personnel compensation	4,408	4,658	4.880
12.1	Personnel benefits: Civilian	477	513	542
13.0	Benefits for former personnel	13	3	3
21.0	Travel and transportation of persons	84	158	196
22.0	Transportation of things	5		
23.3	Communications, utilities, and miscella-			
	neous charges	627	566	606
24.0	Printing and reproduction	751	1.058	1,336
25.0	Other services	850	613	794
26.0	Supplies and materials	149	89	104
31.0	Equipment	142	15	109
99.0	Subtotal, direct obligations	7,506	7,673	8,570
99.0	Reimbursable obligations	1,243	1,556	47
99.9	Total obligations	8,749	9,229	8,617
	Personnel Sum	mary		
Total r	number of full-time permanent positions	153	157	160
Total c	compensable workyears:			
Full	-time equivalent employment	155	157	160
Full	-time equivalent of overtime and holiday			
	nours	4	4	1

## Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-0130-6-1-352	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		-330	
40.00	inancing: Budget authority (appropriation)		-330	
71.00	elation of obligations to outlays: Obligations incurred, net		<b>—330</b>	
72.40 74.40	Obligated balance, start of year Obligated balance, end of year		69	-65 
90.00	Outlays		<b>—261</b>	-69

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# OFFICE OF THE INSPECTOR GENERAL

#### Federal Funds

General and special funds:

#### OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, \$46,321,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978 (Public Law 95-452), and including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed \$75,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452, and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2220, 2270.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

ldentificat	ion code $12-0900-0-1-352$	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Direct program	44,895	46,495	46,321
01.01	Reimbursable program	30		
10.00	Total obligations	44,925	46,495	46,321
F	inancing:			
11.00	Offsetting collections from: Federal funds	-30		
25.00	Unobligated balance lapsing	1,426		
39.00	Budget authority	46,321	46,495	46,321
В	udget authority:			
40.00	Appropriation	30,142	30,756	46,321
40.00	Reduction pursuant to P.L. 99–190		-185	
41.00	Transferred to other accounts	— 176 16 255	15.004	
42.00	Transferred from other accounts	16,355	15,924	
43.00	Appropriation (adjusted)	46,321	46,495	46,321
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	44,895	46,495	46,321
72.40	Obligated balance, start of year	4,688	6,055	6,697
74.40	Obligated balance, end of year	-6,055	<b>— 6,697</b>	<b>— 6,697</b>
77.00	Adjustments in expired accounts	<u>-1,451</u>		
90.00	Outlays	42,077	45.853	46,321

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	46,321	46,495	46,321
Outlays	42,077	45,853	46,321
Reduction pursuant to P.L. 99–177:			
Budget authority		-1,999	***************************************
Outlays		1,711	<b>— 288</b>
Total:			
7-12-1	46.321	44,496	46.321
Budget authority	-,	,	/
Outlays	42,077	44,142	46,033

The office keeps the Secretary and the Congress informed about fraud, other serious problems, abuses and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. It reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws, rules and initiatives

General and special funds—Continued

Office of the Inspector General—Continued

have had or will have on the economy and efficiency of the Department's programs and operations and the prevention and detection of fraud and abuse in such programs. The office provides policy direction and conducts, supervises, and coordinates all audits and investigations; recommends policies for and conducts, supervises or coordinates other activities in the Department and between the Department and other Federal, State and local government agencies whose purposes are to (a) promote economy and efficiency, (b) prevent and detect fraud and abuse, and (c) identify and prosecute people involved in fraud or abuse.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-0900-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:		-	
	Personnel compensation:			
11.1	Full-time permanent	27,010	27,301	27,301
11.3	Other than full-time permanent	279	325	325
11.5	Other personnel compensation	1,194	980	980
11.9	Total personnel compensation	28,483	28,606	28,606
12.1	Personnel benefits: Civilian	3,789	3,926	3,926
13.0	Benefits for former personnel	30	44	44
21.0	Travel and transportation of persons	4,363	5,638	5,464
22.0	Transportation of things	95	182	182
23.2	Rental payments to others	30	80	80
23.3	Communications, utilities, and miscella-			
	neous charges	1,775	2,174	2,174
24.0	Printing and reproduction	91	158	158
25.0	Other services	3,573	3,837	3,837
26.0	Supplies and materials	381	450	450
31.0	Equipment	2,282	1,400	1,400
42.0	Insurance claims and indemnities	2		
43.0	Interest and dividends	1		
99.0	Subtotal, direct obligations	44.895	46,495	46,321
99.0	Reimbursable obligations	30		
99.9	Total obligations	44,925	46,495	46,321
	Personnel Sum	mary		
	number of full-time permanent positions	871	860	860
TOTAL C	compensable workyears:			

# Reduction Pursuant to Public Law 99-177

851

880

880

30

Full-time equivalent employment ......

Full-time equivalent of overtime and holiday

#### Program and Financing (in thousands of dollars)

ldentificat	ion code 12-0900-6-1-352	1985 actual	1986 est.	1987 est.
P 10.00	rogram by activities: Total obligations		-1,999	
<b>F</b> 40.00	inancing: Budget authority (appropriation)		<b>—1,999</b>	
71.00 72.40 74.40	elation of obligations to outlays: Obligations incurred, net Obligated balance, start of year Obligated balance, end of year			
90.00	Outlays		-1,711	<b>—28</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# OFFICE OF THE GENERAL COUNSEL

#### Federal Funds

General and special funds:

Office of the General Counsel

For necessary expenses, \$17,430,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided by the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identificat	tion code 12-2300-0-1-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Direct program: Legal services	15,794	15,773	17,430
01.01	Reimbursable program	1,484	1,737	
10.00	Total obligations	17,278	17,510	17,430
F	inancing:			
11.00	Offsetting collections from: Federal funds	-1,484	-1,737	
25.00	Unobligated balance lapsing	109		
39.00	Budget authority	15,903	15,773	17,430
В	sudget authority:			
40.00	Appropriation	14,929	15,077	17,430
40.00	Reduction pursuant to P.L. 99-190		-90	
42.00	Transferred from other accounts	974	786	
43.00	Appropriation (adjusted)	15,903	15,773	17,430
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	15,794	15,773	17,430
72.40	Obligated balance, start of year	459	149	149
74.40	Obligated balance, end of year	-149	-149	<b>— 149</b>
77.00	Adjustments in expired accounts	55		
90.00	Outlays	16.158	15,773	17,430

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

Fin they and of deliese?

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	15,903	15,773	17,430
Outlays	16,158	15,773	17,430
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>— 678</b>	
Outlays		<b>-672</b>	-6
Total:			
Budget authority	15,903	15,095	17,430
Outlays	16,158	15,101	17,424

The Office performs all legal work for the Department. It represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasijudicial hearings held in connection with the administration of Department programs. The Office also represents the Secretary in proceedings before the Interstate Commerce Commission dealing with rates and practices relating to the transportation of agricultural commodities and in appeals to the courts from the decisions of the Commission. It examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of Department activities. It advises agencies of the Department on all aspects of their operations.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-2300-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	11,826	12,221	13,157
11.3	Other than full-time permanent	356	226	271
11.5	Other personnel compensation	217	127	136
11.9	Total personnel compensation	12,399	12,574	13,564
12.1	Personnel benefits: Civilian	1,424	1,278	1,687
21.0	Travel and transportation of persons	240	300	350
22.0	Transportation of things	9	2	2
23.3	Communications, utilities, and miscella-			
	neous charges	875	767	829
24.0	Printing and reproduction	25	24	30
25.0	Other services	410	437	504
26.0	Supplies and materials	398	391	464
31.0	Equipment	14		***************************************
99.0	Subtotal, direct obligations	15,794	15,773	17,430
99.0	Reimbursable obligations	1,484	1,737	***************************************
99.9	Total obligations	17,278	17,510	17,430
	Personnel Sumi	mary		
	umber of full-time permanent positions	332	338	338
	time equivalent employment	371	385	385

## Reduction Pursuant to Public Law 99-177

3

3

Full-time equivalent of overtime and holiday

hours ..

#### Program and Financing (in thousands of dollars)

Identifical	tion code 12-2300-6-1-352	1985 actual	1986 est.	1987 est.
	Program by activities: Total obligations		-678	
40.00	inancing: Budget authority (appropriation)		<b>-678</b>	***************************************
R	relation of obligations to outlays:			
71.00	Obligations incurred, net		<b> 678</b>	
72.40	Obligated balance, start of year			<b>—</b> 6
74.40	Obligated balance, end of year		6	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# AGRICULTURAL RESEARCH SERVICE

# Federal Funds

General and special funds:

#### AGRICULTURAL RESEARCH SERVICE

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100; \$51,053: Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: Provided further, That appropriations hereunder shall be available for the operation and maintenance of aircraft, and the purchase of not to exceed one aircraft for replacement only: Provided further, That uni-

form allowances for each uniformed employee of the ARS shall not be in excess of \$400 annually: Provided further, That of the appropriations provided hereunder, not less than \$10,526,600 shall be available to conduct marketing research: Provided further, That appropriations hereunder, shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed \$169,000, except for headhouses connecting greenhouses which shall each be limited to \$500,000, and except for ten buildings to be constructed or improved at a cost not to exceed \$325,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or \$169,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to a total of \$325,000, for facilities at Beltsville, Maryland: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): Provided further, That the limitations on purchase of land shall not apply to the purchase of land at Fresno, California.

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, \$2,000,000. (7 U.S.C. 328, 427, 427i, 2225, 2250; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 113a, 114c, 114e-131; 42 U.S.C. 1476(e), 1483.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificati	ion code 12-1400-0-1-352	1985 actual	1986 est.	1987 est.
Pi	rogram by activities:			
	Direct program:			
00.01	Research on soil and water conservation	60,003	62,078	62,078
00.02	Research on plant productivity	189,859	193,359	196,540
00.03	Research on animal productivity	88,829	91,720	91,720
00.04	Research on commodity conversion and			
	delivery	90,883	93,027	103,027
00.05	Human nutrition research	36,500	39,459	39,459
00.06	Integration of agricultural systems	10,357	8,203	8,203
00.07	Higher education grants	2,800		
80.00	Repair and maintenance of facilities	10,236	11,026	11,026
00.09	Contingencies		1,000	1,000
00.10	Construction of facilities	1,179	102	1,087
00.91	Total direct program	490,646	499,968	514,140
01.01	Reimbursable program	16,251	20,000	20,000
10.00	Total obligations	506.897	519.968	534,140
10.00	Total obligations	300,637	313,300	334,140
Fi	inancing:			
	Offsetting collections from:			
11.00	Federal funds	-14,319	-18,000	-18,000
14.00	Non-Federal sources	-1,932	-2,000	2,000
21.40	Unobligated balance available, start of year	<b>-2,368</b>	-1,189	-1,087
24.40	Unobligated balance available, end of year	1,189	1,087	
25.00	Unobligated balance lapsing	3,438		
39.00	Budget authority	492,906	499,866	513,053
В	udget authority:			
	Current:			
40.00	Appropriation	495,106	503,043	513,053
40.00	Reduction pursuant to P.L. 99-190		-3,018	
41.00	Transferred to other accounts	5,000		
43.00	Appropriation (adjusted)	490,106	499,866	513,053
	Permanent:			
60.00	Appropriation	2,800		
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	490,646	499,968	514,140
72.40	Obligated balance, start of year	120,740	120,208	128,014
74.40	Obligated balance, end of year	-120,208	-128,014	-128,522

#### General and special funds-Continued

### AGRICULTURAL RESEARCH SERVICE-Continued

Program and Financing (in thousands of dollars) -- Continued

Identificat	tion code 12-1400-0-1-352	1985 actual	1986 est.	1987 est.
77.00	Adjustments in expired accounts	-3,846		
90.00	Outlays	487,333	492,162	513,632

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1985 actual	1986 estimate	1987 estimate
Enacted/requested: Budget authorityOutlaysReduction pursuant to P.L. 99–177:	492,906 487,333	499,866 492,162	513,053 513,632
Budget authority		-21,494 -17,254	<b>— 4,326</b>
Total:			
Budget authority	492,906	478,372	513,053
Outlays	487,333	474,908	509,306

The Agricultural Research Service conducts research to provide the means for a safer, more economical, and more abundant supply of agricultural products for the Nation. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research on soil and water conservation, plant and animal productivity, commodity conversion and delivery, human nutrition, and integrated agricultural systems. The 1987 budget proposes to increase efforts in germplasm and biotechnology research to improve the profitability and competitiveness of U.S. agriculture.

Research on soil and water conservation.—Research is conducted to improve soil and water management, irrigation, and conservation practices; to protect natural resources from harmful effects of soil, air, and water pollutants and to minimize certain agricultural pollution problems; and to determine the relation of soil types and water to plant, animal, and human nutrition.

Research on plant productivity.—Research is conducted to increase plant productivity by improving plant varieties; developing new crop resources; and improving crop production practices, including methods to control plant diseases, nematodes, insects, and weeds. The program increases proposed for 1987 are for gene transfer and germplasm enhancement and evaluation.

Research on animal productivity.—Research is conducted to increase livestock productivity (including poultry) through improved breeding, feeding, and management practices, and to develop methods for controlling diseases, parasites, and insect pests affecting these primals.

Research on commodity conversion and delivery.—Research is conducted to develop new and improved foods, feeds, products, and processes for agricultural commodities; and to improve the processing, transportation, storage, wholesaling, and retailing of products. Research is also conducted on problems of human health and safety, including means to insure the safety of food and feed supplies; control insect pests of man and his belongings; and reduce the hazards to human life resulting from pesticide residues and other causes. The program increases proposed for 1987 are for developing

new and value-added products and to reduce agricultural losses and barriers to improve commodity exports.

Human nutrition research.—Research is conducted on subjects as human nutritional requirements and the composition and nutritive value of foods, to promote optimum human health through improved nutrition.

Integration of agricultural systems.—Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products; and to develop alternative agricultural systems, that are less dependent upon nonrenewable resources and that are productive, efficient, and sustainable in the long term.

Repair and maintenance of facilities.—Funds are used to restore, upgrade, and maintain Federal facilities to meet OSHA and EPA requirements, provide suitable workspace for in-house research programs, and to retrofit existing structures for better energy utilization.

Contingencies.—Funds available to meet urgent needs that develop unexpectedly during the year when such needs cannot be met by redirection of resources from other projects.

Construction of facilities.—Unobligated balances will be used for this purpose.

Advances and reimbursements.—Agricultural Research Service performs program research activities and services for other USDA, Federal, and non-Federal agencies. These activities and services are paid for on a reimbursable basis.

Object Classification (in thousands of dollars)

Identifica	ation code 12-1400-0-1-352	1985 actual	1986 est.	1987 est.
	AGRICULTURAL RESEARCH SERVICE			
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	225,083	227,109	231,363
11.3	Other than full-time permanent	10,197	10.197	10.197
11.5	Other personnel compensation	6,220	6,220	6,220
11.9	Total personnel compensation	241,500	243,526	247,77
12.1	Personnel benefits: Civilian	31.034	31,358	31,900
21.0	Travel and transportation of persons	7,323	7,282	7,52
22.0	Transportation of things	1,140	1,290	1,333
23.3	Communications, utilities, and miscella-	,		,
	neous charges	29,049	30,765	31,794
24.0	Printing and reproduction	971	1,057	1,092
25.0	Other services	100,863	102,506	105,708
26.0	Supplies and materials	38,771	43,247	44,693
31.0	Equipment	30,967	31,712	32,70
32.0	Lands and structures	6,936	5,102	7,483
41.0	Grants, subsidies, and contributions	1,737	1,737	1,737
99.0	Subtotal, direct obligations	490,291	499,582	513,75
99.0	Reimbursable obligations	16,251	20,000	20,000
	ALLOCATION TO FOREST SERVICE			
	Personnel compensation:			
11.1	Full-time permanent	1	1	1
11.3	Other than full-time permanent	14	15	18
11.9	Total personnel compensation	15	16	16
12.1	Personnel benefits: Civilian	1	1	
21.0	Travel and transportation of persons	23	25	25
25.0	Other services	301	328	328
26.0	Supplies and materials	15	16	16
99.0	Subtotal obligations, allocation to			
JJ.U	Forest Service	355	386	386
99.9	Total obligations	506,897	519,968	534,140

Forest Service	506,542 355	519,582 386	533,754 386
Personnel Sumn			
AGRICULTURAL RESEARCH SERVICE			
Direct: Total number of full-time permanent positions Total compensable workyears:	8,045	7,845	7,905
Full-time equivalent employment Full-time equivalent of overtime and holiday	8,103	8,091	8,15
hours	67	67	67
Total number of full-time permanent positions  Total compensable workyears: Full-time equiva-	88	88	88
lent employment	88	88	8

## Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	ion code $12-1400-6-1-352$	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		-21,580	
25.00	inancing: Reductions in new spending authority (off- setting collections)		86	
40.00	Budget authority (appropriation)		21,494	
R	elation of obligations to outlays:			
71.00 72.40 74.40	Obligations incurred, net		-21,580 	<b>— 4,32</b> 6
90.00	Outlays		<b>—17,254</b>	-4,326

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# BUILDINGS AND FACILITIES

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-1401-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
10.00	Total obligations (object class 32.0)	9,740	65,118	12,194
F	inancing:			
21.40	Unobligated balance available, start of year	<b>71,221</b>	<b>— 83,747</b>	24,941
24.40	Unobligated balance available, end of year	83,747	24,941	12,747
25.00	Unobligated balance lapsing	84		
39.00	Budget authority	22,350	6,312	
R	udget authority:			
40.00	Appropriation	23,050	6,350	
40.00	Reduction pursuant to P.L. 99-190		-38	
41.00	Transferred to other accounts			
43.00	Appropriation (adjusted)	22,350	6,312	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	9,740	65,118	12,194
72.40	Obligated balance, start of year	9,200	12,551	59,973
74.40	Obligated balance, end of year	12,551	_ 59,973	33,409
90.00	Outlays	6,389	17.696	38,758

Note.—Excludes \$700 thousand in 1985 for activities transferred to Cooperative State Research Service, USDA, for planning funds for the Warmwater Aquaculture Research Center.

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

	1985 actual	1986 estimate	1987 estimates
Enacted/requested:			
Budget authority	22.350	6.312	
Outlays	6,389	17.696	38,758
Reduction pursuant to P.L. 99-177:	-,	,	/
Budget authority		<b>—27</b> 1	
Outlays		_47	224
0010,0			
Total:			
Budget authority	22,350	6,041	
Outlays	6,389	17,649	38,534
,	-,	,	,

This account provides funds for acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. No projects are requested for 1987.

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dolfars)

Identificat	Identification code 12-1401-6-1-352		1986 est.	1987 est.
	rogram by activities: Total obligations		<b>-271</b>	
40.00	inancing: Budget authority (appropriation)		<b>—271</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-271	
72.40	Obligated balance, start of year			<b>—224</b>
74.40	Obligated balance, end of year		224	
90.00	Outlays		<b>— 47</b>	-224

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# Trust Funds MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identificat	tion code 12-8214-0-7-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	1,136	2,000	2,000
F	inancing:			
21.40	Unobligated balance available, start of year	-666	-1,039	-1,039
24.40	Unobligated balance available, end of year	1,039	1,039	1,039
60.00	Budget authority (appropriation) (permanent, indefinite)	1,509	2,000	2,000
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,136	2,000	2,000
72.40	Obligated balance, start of year	1,020	178	178
74.40	Obligated balance, end of year	<u>-178</u>	-178	—178
90.00	Outlays	1,978	2,000	2,000

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements on research activities.

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# MISCELLANEOUS CONTRIBUTED FUNDS—Continued Object Classification (in thousands of dollars)

Identifica	ition code 12-8214-0-7-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	228	229	229
11.3	Other than full-time permanent	10	19	19
11.5	Other personnel compensation	2	4	4
11.9	Total personnel compensation	240	252	252
12.1	Personnel benefits: Civilian	2	4	4
21.0	Travel and transportation of persons	8	15	15
23.3	Communications, utilities, and miscellane-			
	ous charges	38	74	74
24.0	Printing and reproduction	2	4	4
25.0	Other services	484	950	950
26.0	Supplies and materials	171	332	332
31.0	Equipment	191	369	369
99.9	Total obligations	1,136	2,000	2,000
	Personnel Sum	mary		
	umber of full-time permanent positions	4	4	4
	loymentloyment	4	4	4

#### COOPERATIVE STATE RESEARCH SERVICE

Federal Funds

General and special funds:

# COOPERATIVE STATE RESEARCH SERVICE

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including \$155,545,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), and further amended by Public Law 92-318 approved June 23, 1972, and further amended by Public Law 93-471 approved October 26, 1974, including administration by the United States Department of Agriculture, and penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); \$12,975,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7), as amended by Public Law 92-318 approved June 23, 1972, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); \$23,333,000 for payments to the 1890 land-grant colleges, including Tuskegee University, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95-113), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee University; \$42,425,000 for competitive research grants, including administrative expenses; \$9,940,000 for grants to upgrade 1890 land-grant college research facilities as authorized by section 1433 of Public Law 97-98, to remain available until expended; \$1,988,000 for higher education strengthening grants under section 1417(a)(2)(A) of Public Law 95-113, as amended (7 U.S.C. 3152(a)(2)(A)); and \$150,000 for necessary expenses of Cooperative State Research Service activities, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 for employment under 5 U.S.C. 2109; in all, \$246,356,000. Provided, That no funds shall be available in fiscal year 1987 for payments under the Act of August 30, 1890 and the tenth and eleventh paragraphs under the heading "Emergency Appropriations." of the Act of March 4, 1907 (7 U.S.C. 321 et seq.). (7 U.S.C. 450b, 2201-02, 2220, 2250a; 39 U.S.C. 3202(a)(4), 3206(b); 42 U.S.C. 1891-1893; Public Law 95-113; Public Law 95-547; Public Law 95-592; Public Law 96-294; Public Law 97-98; Public Law 98-284; Public Law 99-198)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identificat	dentification code 12-1500-0-1-352 1985 actual 1986 es		1986 est.	1987 est.
P	rogram by activities: Direct program:			
00.01	Payments under the Hatch Act	155,378	155,545	155,545
00.02	Cooperative forestry research	13,053	12,975	12,975
00.03	Payments to 1890 colleges and Tuske-		,	,
	gee University	22,807	23,333	23,333
00.04	Special research grants	32,030	31,524	
00.05	Competitive research grants	46,000	44,233	42,425
00.06	Animal health and disease research	5,760	5,725	
00.07	Federal administration (direct appropria-	0,700	0,720	
00.07	tion)	1.475	1.635	150
80.00	1890 research facilities	10,000	9,940	9,940
00.00	Higher education	7,000	7,770	1,988
00.03	Forestry competitive grants	7,840		·
00.10	rolestry competitive grants	7,040		
00.91	Total direct program	301,343	292,680	246,356
01.01	Reimbursable program	3,257	3,900	4,100
10.00	Total obligations	304,600	296,580	250,456
	inancing:			
11.00	Offsetting collections from: Federal funds	<b>—3,257</b>	-3,900	-4,100
21.40	Unobligated balance available, start of year		1,200	
24.40	Unobligated balance available, end of year	1,200		
25.00	Unobligated balance lapsing	1,773		
39.00	Budget authority	304,316	291,480	246,356
В	ludget authority:			
	Current:			
40.00	Appropriation	290,776	290,423	246,356
40.00	Reduction pursuant to P.L. 99-190		-1,743	
42.00	Transferred from other accounts	13,540		
42.00				
43.00	Appropriation (adjusted) Permanent:	304,316	288,680	246,356
60.00	Appropriation		2 900	
	Арргоргаціон		2,800	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	301,343	292,680	246,356
72.40	Obligated balance, start of year	109,527	164,409	170,064
	Obligated balance, end of year	-164,409	-170,064	-162,725
74.40				
74.40 77.00		-2.837		
	Adjustments in expired accounts  Outlays	<u>-2,837</u> 243,624	287,025	253,695

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

marsj		
1985 actual	1986 estimate	1987 estimate
304,316	291,480	246,356
243,624	287,025	253,695
·		
	-12.534	
	-8.110	-4.424
	<del></del>	
304,316	278,946	246,356
243,624	278,915	249,271
	304,316 243,624 	304,316 291,480 243,624 287,025 —12,534 —8,110 304,316 278,946

Cooperative State Research Service participates in a nationwide system of agricultural research program planning and coordination between the State institutions and the U.S. Department of Agriculture. It assists in maintaining cooperation among the State institutions, and between the State institutions and their Federal research partners. The Agency administers grants and payments to State institutions to supplement State and local funding for agricultural research.

Payments under the Hatch Act.-Funds under the Hatch Act are allocated on a formula basis to agricultural experiment stations of the land-grant colleges in the 50 States, District of Columbia, Puerto Rico, Guam,

the Virgin Islands, and American Samoa.

Cooperative forestry research.—These funds are allocated by formula to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, American Samoa, and other State-supported colleges and universities offering graduate training in the sciences basic to forestry and having a forestry school.

Payments to 1890 colleges and Tuskegee University.— Funds support agricultural research at the 1890 landgrant colleges, including Tuskegee University.

Special research grants.—These grants are targeted to localized problems. No funding is proposed in 1987.

Competitive research grants.—Research scientists throughout the U.S. scientific community compete for funding under this program. These grants support basic research in biotechnology, plant and animal science, pest science, and human nutrition.

Animal health and disease research.—Funds, distributed by formula, support livestock and poultry disease research in colleges of veterinary medicine and in eligible agricultural experiment stations. No funding is pro-

posed in 1987.

Federal administration.—A coordinating and review staff assists in maintaining cooperation within and among the States, and between the States and their Federal research partners. This staff also administers research grants and payments to States. Federal administration is funded from a combination of program setasides from formula and grant programs and from direct appropriation for administration.

1890 research facilities.—Funds support the purchase of land and the construction, alteration or renovation of buildings necessary for the conduct of food and agricultural research at colleges eligible to receive funds under the second Morrill Act of 1890, including Tuskegee Uni-

versity.

Higher Education.—Funding is proposed for Strengthening Grants to support resident instruction at the 1890 colleges, the Tuskegee University, and the University of the District of Columbia. The Morrill-Nelson and graduate training grants programs receive no funding in 1987.

Forestry competitive grants.—This program emphasizes basic research in the areas of harvesting, wood utilization and forest biology. No funding is proposed in 1987.

Reimbursable program.—Funds support basic and applied agriculture research and activities performed for other USDA, Federal, and non-Federal agencies.

Object Classification (in thousands of dollars)

Identifica	Identification code 12-1500-0-1-352		1986 est.	1987 est.
	Direct obligations:			
11.1	Personnel compensation: Full-time permanent	4,469	4,650	4,650
11.3	Other than full-time permanent	144	211	211
11.5	Other personnel compensation	95	95	95
11.9	Total personnel compensation	4,708	4,956	4,956

12.1	Personnel benefits: Civilian	515	540	540
13.0	Benefits for former personnel	2	2	2
21.0	Travel and transportation of persons	480	673	628
22.0	Transportation of things	37	39	39
23.3	Communications, utilities, and miscella-			
	neous charges	738	779	779
24.0	Printing and reproduction	61	68	68
25.0	Other services	2,093	2,576	754
26.0	Supplies and materials	156	170	170
31.0	Equipment	318	344	344
41.0	Grants, subsidies, and contributions	292,235	282,533	238,076
00.0	0.1641.8.4.18.6		200.000	040.050
99.0	Subtotal, direct obligations	301,343	292,680	246,356
99.0	Reimbursable obligations	3,257	3,900	4,100
99.9	Total obligations	304,600	296,580	250,456

Personnel Sum	mary		
Direct:			
Total number of full-time permanent positions  Total compensable workyears:	147	147	147
Full-time equivalent employment Full-time equivalent of overtime and holiday	130	134	134
hours	1	1	1
Reimbursable:			
Total number of full-time permanent positions  Total compensable workyears: Full-time equiva-	8	8	8
lent employment	8	8	8

# Reduction Pursuant to Public Law 99-177

Program	and	Financing	(in	thousands	of	dollars)
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Identificat	ion code 12-1500-6-1-352	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		-12,534	
40.00	inancing: Budget authority (appropriation)		<b>— 12,534</b>	
R	elation of obligations to outlays:		-	
71.00	Obligations incurred, net		-12,534	
72.40	Obligated balance, start of year			<b>-4,424</b>
74.40	Obligated balance, end of year		4,424	
90.00	Outlays		<b>—8,110</b>	-4,424

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

# **EXTENSION SERVICE**

# Federal Funds

General and specific funds:

#### EXTENSION SERVICE

Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, and American Samoa: for payments for cooperative agricultural extension work under the Smith-Lever Act, as amended (7 U.S.C. 301n., 341-349), to be distributed under sections 3(b) and 3(c) of said Act, for retirement and employees' compensation costs for extension agents to assist farm operators, and for costs of penalty mail for cooperative extension agents and State extension directors, \$127,547,000: Provided, That extension agents may provide other services only after the needs of farm operators have been fully met; in addition, payments for extension work under section 209(c) of Public Law 93-471, \$399,000; and payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee University, \$7,204,000; in all, \$135,150,000: Provided, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, and American Samoa prior to availability of an

# General and specific funds-Continued

#### EXTENSION SERVICE—Continued

equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the said Smith-Lever Act, as amended, and to coordinate and provide program leadership for the extension work of the Department and several States and insular possessions, \$4,850,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-0502-0-1-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Smith-Lever Act, 3(b) and 3(c)	241,158	240,035	127,547
00.02	Smith-Lever Act, 3(d): Food and nutri			
	tion education (EFNEP)	60.354	60,224	
00.03	Pest management	7,531	7,486	
00.04	Farm safety	1,020	1,014	
0.05	Pesticide impact assessment	1,716	1,706	
			3,479	
00.06	Urban gardening	3,500		•••••
00.07	Financial management	1,000	1,491	•••••
0.07	Integrated reproductive management .		49	
00.07	Rural development centers		720	
80.00	Payments to the District of Columbia	983	977	399
00.09	Payments to 1890 colleges and Tuske-			
	gee University	17,741	17,635	7.204
00.10	Renewable Resources Extension Act	2,500	2,485	
0.10	Federal administration (direct appropria-	2,300	2,400	••••••
JU.11		E 000	EAAC	A 050
	tion)	5,898	5,446	4,850
00.91	Total direct program	343,401	342,747	140,000
01.01	Reimbursable program	7,040	7,000	7,000
01.01	Reillibursable program	7,040	7,000	7,000
10.00	Total obligations	350,441	349,747	147,000
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	6,423	<b></b> 6,375	-6,375
14.00	Non-Federal sources	617	625	<b>—</b> 625
25.00	Unobligated balance lapsing	326		
	0 , 0			
39.00	Budget authority	343,727	342,747	140,000
В	udget authority:			
40.00	Appropriation	343,727	305,956	140,000
40.00	Reduction pursuant to P.L. 99–190		-1.836	
42.00	Transferred from other accounts		38,627	
72.00	Transferred from other accounts			
43.00	Appropriation (adjusted)	343,727	342,747	140,000
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	343,401	342,747	140,000
72.40	Obligated balance, start of year	67,651	71,802	71,63
74.40	Obligated balance, start of year	-71.802	-71,634	— 29,27;
77.00	Adjustments in expired accounts			***************************************

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	343,727	342,747	140,000
Outlays	338,037	342,915	182,361
Reduction pursuant to P.L. 99-177:	·	·	
Budget authority		-14,738	
Outlays		11,658	-3.107
* 1.1			
7 - 14.7			
Budget authority	343,727	328,009	140,000
Outlays	338,037	331,257	179,254
·			
Outlays  Total: Budget authority	343,727	<u>-11,658</u> 328,009	<u>-3,107</u> 140,000

The Federal Extension Service, States, and localities comprise the Cooperative Extension System. This nationwide system provides out-of-school, applied education in agriculture, home economics, community development, and 4-H youth programs.

Federal funds are distributed primarily by formula to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, and American Samoa, primarily on the basis of population. The 1987 budget includes Federal funding to address high priority issues through the established Extension System. These priorities include (1) assistance to farmers in financial stress, (2) education and analytical support to assist farmers in adjusting to newly authorized farm programs, (3) assistance in addressing groundwater quality and other natural resource conservation issues, and (4) other types of assistance to rural areas. All earmarked programs are proposed for elimination.

In fiscal year 1987, continued Federal support is proposed for the Land-Grant Institutions, the 1890 Institutions and Tuskegee University and the District of Columbia.

#### Object Classification (in thousands of dollars)

P

Identifica	tion code 12-0502-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	6,343	6,798	3,639
11.3	Other than full-time permanent	111	166	32
11.5	Other personnel compensation	47	30	
11.9	Total personnel compensation	6,501	6,994	3,671
12.1	Personnel benefits: Civilian	731	746	349
13.0	Benefits for former personnel			1,769
21.0	Travel and transportation of persons	583	630	245
22.0	Transportation of things	55	68	27
23.3	Communications, utilities, and miscella-			
	neous charges	16,916	17,199	371
24.0	Printing and reproduction	283	336	131
25.0	Other services	3,151	1,880	731
26.0	Supplies and materials	228	227	88
31.0	Equipment	307	225	88
41.0	Grants, subsidies, and contributions	314,646	314,442	132,530
99.0	Subtotal, direct obligations	343,401	342,747	140,000
99.0	Reimbursable obligations .,	7,040	7,000	7,000
99.9	Total obligations	350,441	349,747	147,000
	Personnel Sum	mary		
	number of full-time permanent positions	191	191	102
	compensable workyears:			
	-time equivalent employment	171	177	90
	-time equivalent of overtime and holiday	1	1	1

# Reduction Pursuant to Public Law 99-177

Identification code 12-0502-6-1-352	1985 actual	1986 est.	1987 est.	
Program by activities: 10.00 Total obligations	1	—14,765		
Financing: 25.00 Reduction in new spending authority (of	f-			
setting collections)		27		
40.00 Budget authority (appropriation)		<b>— 14,738</b>		

1	R	elation of obligations to outlays:			
	71.00	Obligations incurred, net		-14,765	***************************************
ŀ	72.40	Obligated balance, start of year			-3,107
-	74.40	Obligated balance, end of year		3,107	
1		0.41			
	90.00	Outlays	••••••	-11,658	<b>—3,107</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### NATIONAL AGRICULTURAL LIBRARY

#### Federal Funds

General and special funds:

#### NATIONAL AGRICULTURAL LIBRARY

For necessary expenses of the National Agricultural Library, \$11,421,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$35,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That not to exceed \$575,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements. (5 U.S.C. 5946; 7 U.S.C. 450b, 450i, 2201, 2202, 2204, 2206, 2244, 2264, 2265.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

IdenIificati	ion code 12-0300-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Agricultural information and library			
	services	11,164	10,972	11,121
00.02	Repairs and maintenance of facilities	300	300	300
00.91	Total direct program	11,464	11,272	11,421
01.01	Reimbursable program	1,277	1,303	1,342
10.00	Total obligations	12,741	12,575	12,763
Fi	inancing:			
11.00	Offsetting collections from: Federal funds	-1,277	-1,303	-1,342
39.00	Budget authority	11.464	11,272	11,421
	Dauget detriefty	12,101		
В	udget authority:			
40.00	Appropriation	11,464	11,340	11,421
40.00	Reduction pursuant to P.L. 99-190	. <u></u>	68	
43.00	Appropriation (adjusted)	11,464	11,272	11,421
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	11,464	11,272	11,421
72.40	Obligated balance, start of year	3,868	4,729	4,829
74.40	Obligated balance, end of year	<b></b> 4,729	<b>-4,829</b>	-4,950
77.00	Adjustments in expired accounts	-214		
90.00	Outlays	10,389	11,172	11,300

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In Thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	11,464	11,272	11,421
Outlays	10,389	11,172	11,300
Reduction pursuant to P.L. 99-177:	·		
Budget authority		<b>— 485</b>	
Outlays		<b>— 351</b>	—134
T-4-1			
Total:		10.707	11 401
Budget authority	11,464	10,787	11,421
Outlays	10,389	10,821	11,166
	===		

The primary purpose of NAL is to acquire, preserve, and disseminate an exhaustive collection of reliable information in all phases of the agricultural and allied sciences.

Agricultural information and library services.—The National Agricultural Library provides a variety of information products and services through: (1) the administration of a unique collection of books, journals, and other information materials about food and agriculture to assure accessibility to their contents; (2) the development and maintenance of cooperative efforts in the library and related information areas, with other Federal agencies and with educational institutions in each State; (3) an active program of information dissemination. The funds in 1987 will be used to continue NAL's services and cooperative efforts with other libraries.

Repairs and maintenance of facilities.—These funds are used for maintaining the library building.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-0300-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	4,382	4,450	4,550
11.3	Other than full-time permanent	170	170	170
11.5	Other personnel compensation	80	80	80
11.9	Total personnel compensation	4,632	4,700	4,800
12.1	Personnel benefits: Civilian	496	550	550
21.0	Travel and transportation of persons	64	80	80
22.0	Transportation of things	21	30	30
23.3	Communications, utilities, and miscella-			
	neous charges	767	830	900
24.0	Printing and reproduction	433	300	300
25.0	Other services	2,900	2,750	2,690
26.0	Supplies and materials	1,469	1,430	1,471
31.0	Equipment	682	600	600
99.0	Subtotal, direct obligations	11,464	11,272	11,421
99.0	Reimbursable obligations	1,277	1,303	1,342
99.9	Total obligations	12,741	12,575	12,763
	Personnel Sum	mary		
Direct:				
	al number of full-time permanent positions	194	194	194
	al compensable workyears:			
	Full-time equivalent employment Full-time equivalent of overtime and holiday	179	192	192
	hours	5	5	5
Daimh	ursable:			
	ursable: al number of full-time permanent positions	6	6	6
	al compensable workyears: Full-time equiva-	Ü	0	
	lent employment	5	5	5
	ent employment	3	3	Ü

# Reduction Pursuant to Public Law 99-177

(in westerness)				
Identification code 12-0300-6-1-352	1985 actual	1986 est.	1987 est.	
Program by activities: 10.00 Total obligations		<b> 485</b>		
Financing: 40.00 Budget authority (appropriation)		<b>— 485</b>		
Relation of obligations to outlays: 71.00 Obligations incurred, net		-485		

#### General and special funds-Continued

#### NATIONAL AGRICULTURAL LIBRARY—Continued

# Reduction Pursuant to Public Law 99-177—Continued Program and Financing (in thousands of dollars)—Continued

Identifica	tion code 12-0300-6-1-352	1985 actual	1986 est.	1987 est.
74.40	Obligated balance, end of year		134	
90.00	Outlays		-351	<b>— 134</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

#### STATISTICAL REPORTING SERVICE

#### Federal Funds

General and special funds:

#### STATISTICAL REPORTING SERVICE

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, \$59,712,000: Provided, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955–57, 2201, 2202, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891–93; 44 U.S.C. 3501–11; 50 U.S.C. 2061 et seq., 2251 et seq.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-1801-0-1-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Crop and livestock estimates	51,910	52,443	53,351
00.02	Statistical research and service	6,238	6,282	6,361
00.91	Total direct program	58,148	58,725	59,712
01.01	Reimbursable program	5,474	7,500	7,700
10.00	Total obligations	63,622	66,225	67,412
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	-4,864	<b> 6,440</b>	-6,613
14.00	Non-Federal sources	-610	-1,060	-1,087
25.00	Unobligated balance lapsing	139		
39.00	Budget authority	58,287	58,725	59,712
В	udget authority:			
40.00	Appropriation	58,287	59,079	59,712
40.00	Reduction pursuant to P.L. 99-190		<u> </u>	
43.00	Appropriation (adjusted)	58,287	58,725	59,712
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	58,148	58,725	59,712
72.40	Obligated balance, start of year	8,227	9,793	9,854
74.40	Obligated balance, end of year	-9,793	-9,854	-9,993
77.00	Adjustments in expired accounts			
90.00	Outlays	56,525	58,664	59,573

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(lars]		
1985 actual	1986 estimate	1987 estimate
58,287	58,725	59,712
56,525	58,664	59,573
	,	,
	<b>— 2,525</b>	
	<b>— 2,101</b>	<b>—470</b>
58,287	56,200	59,712
56,525	56,563	59,103
	58,287 56,525 5 58,287	1985 actual       1986 estimate         58,287       58,725         56,525       58,664

Crop and livestock estimates.—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in some 300 reports issued each year. Data collected and published on prices paid and received by farmers are basic to computation of parity prices.

The work under this activity is conducted through 44 State offices serving the 50 States; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data. Major program modifications in 1987 include: An increase of \$450,000 to provide improved quality on the acreage intentions, mid-year acreage, monthly crop reports, and end-of-year crop acreage and production surveys by using probability procedures; an increase of \$150,000 to improve Crop Reporting Board procedures; and a decrease of \$50,000 to reduce the frequency of reports on prices paid for building materials and marketing containers.

Statistical research and service.—This activity is designed to improve crop and livestock estimating techniques by improving sample survey designs and procedures and by testing new forecasting and estimating techniques, such as the use of satellite data.

#### Object Classification (in thousands of dollars)

	Object Classification (in thousands of dollars)					
Identifica	tion code 12-1801-0-1-352	1985 actual	1986 est.	1987 est.		
	Direct obligations:					
	Personnel compensation:					
11.1	Full-time permanent	27,607	27,036	26,658		
11.3	Other than full-time permanent	1,014	993	979		
11.5	Other personnel compensation	212	209	206		
11.9	Total personnel compensation	28,834	28,238	27,843		
12.1	Personnel benefits: Civilian	4,265	4,022	3,905		
13.0	Benefits for former personnel	53	13	13		
21.0	Travel and transportation of persons	1,043	1,199	1,259		
22.0	Transportation of things	211	220	232		
23.3	Communications, utilities, and miso	ella-				
	neous charges	3,380	3,927	4,117		
	Printing and reproduction	13,741	387	407		
25.0	Other services	18,114	19,021	20,037		
26.0	Supplies and materials	833	804	852		
31.0	Equipment	1,040	894	987		
43.0	Interest and dividends	1				
99.0	Subtotal, direct obligations	58,148	58,725	59,712		
99.0	Reimbursable obligations	5,474	7,500	7,700		
99.9	Total obligations	63,622	66,225 ·	67,412		

Personnel Summary				
Total number of full-time permanent positions  Total compensable workyears:	1,060	1,065	1,047	
Full-time equivalent employment  Full-time equivalent of overtime and holiday	1,124	1,105	1,089	
hours	1	2	2	

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

IdenIificat	tion code 12-1801-6-1-352	1985 actual	1986 est.	1987 esl.
	Program by activities: Total obligations		<b>— 2,551</b>	
	inancing: Reduction in new spending authority (off-setting collections)		46	
40.00	Budget authority (appropriation)		<b>— 2,525</b>	
71.00 72.40 74.40	elation of obligations to outlays: Obligations incurred, net Obligated balance, start of year Obligated balance, end of year		2,571 470	<u> </u>
90 00	Outlays		<b>— 2,101</b>	<b>— 470</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Trust Funds

#### MISCELLANEOUS CONTRIBUTED FUNDS

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-8218-0-7-352	1985 actual	1986 est.	1987 est.
P 10.00	rogram by activities: Total obligations	260	160	160
		200	100	100
21.40	inancing: Unobligated balance available, start of year			
60.00	Budget authority (appropriation) (permanent, indefinite)	209	160	160
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	260	160	160
72.40	Obligated balance, start of year	165	197	197
74.40	Obligated balance, end of year	<u> </u>		<u>197</u>
90.00	Outlays	228	160	160

Miscellaneous funds received from local organizations, commodity groups, and others are available for dissemination of reports and for crop and livestock survey work under cooperative agreements (7 U.S.C. 450b, 450h).

# Object Classification (in thousands of dollars)

Identifica	ation code 12-8218-0-7-352	1985 actual	1986 est.	1987 est.
11.1	Personnel compensation: Full-time perma-			
**.*	nent	22	18	18
12.1	Personnel benefits: Civilian	3	2	2
23.3	Communications, utilities, and miscellane-			
	ous charges	48	47	47
24.0	Printing and reproduction	71	71	71
25.0	Other services	107	20	20
26.0	Supplies and materials	9	2	2
99.9	Total obligations	260	160	160

# Personnel Summary

Total number of full-time permanent positions Total compensable workyears: Full-time equivalent	1	1	1
employment	1	1	1

#### ECONOMIC RESEARCH SERVICE

#### Federal Funds

#### General and special funds:

#### ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; research relating to the economic marketing aspects of farmer cooperatives; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of the United States farm products; \$45,475,000; of which not less than \$200,000 shall be available for reviewing and investigating the effect of proposed actions pending before the Administrator of the Environmental Protection Agency upon the production of food and the agricultural economy: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225). (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code 12-1701-0-1-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Direct program	46,354	46,873	45,475
01.01	Reimbursable program	2,196	1,394	900
10.00	Total obligations	48,550	48,267	46,375
F	inancing:			
11.00	Offsetting collections from: Federal funds	-2,196	<b>—1,394</b>	900
21.40	Unobligated balance available, start of year	-187	<b>—776</b>	
24.40	Unobligated balance available, end of year	776		
25.00	Unobligated balance lapsing	204		
39.00	Budget authority	47,147	46,097	45,475
В	udget authority:			
40.00	Appropriation	46,553	46,305	45,475
40.00	Reduction pursuant to P.L. 99-190		-278	
42.00	Transferred from other accounts	49	70	
43.00	Appropriation (adjusted)	46,602	46,097	45,475
50.00	Reappropriation	545		
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	46,354	46,873	45,475
72.40	Obligated balance, start of year	7,136	7,933	8,124
74.40	Obligated balance, end of year	<b>—7,933</b>	-8,124	-7,919
77.00	Adjustments in expired accounts	449		

#### General and special funds-Continued

#### ECONOMIC RESEARCH SERVICE-Continued

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	47.147	46.097	45,475
Outlays	45.107	46,682	45,680
Reduction pursuant to P.L. 99–177:	10,101	10,002	10,000
Budget authority		-1.982	
Outlays		1,666	
Total:			
Budget authority	47,147	44,115	45,475
Outlays	45,107	45,016	45,364

The Economic Research Service performs agricultural economic and other social science research, outlook forecasting, policy analysis, and data collection and management related to U.S. and international agriculture, food, natural resources, and rural America.

Object Classification (in thousands of dollars)

Identifica	tion code 12-1701-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	28,099	29,155	28,374
11.3	Other than full-time permanent	374	388	378
11.5	Other personnel compensation	288	298	290
11.9	Total personnel compensation	28,761	29,841	29,042
12.1	Personnel benefits: Civilian	3,457	3,667	3,720
13.0	Benefits for former personnel	170	274	126
21.0	Travel and transportation of persons	661	885	835
22.0	Transportation of things	82	49	49
23.3	Communications, utilities, and miscella-			
	neous charges	1,016	978	978
24.0	Printing and reproduction	581	408	403
25.0	Other services	9,508	9,784	9,340
26.0	Supplies and materials	499	382	377
31.0	Equipment	1,619	605	605
99.0	Subtotal, direct obligations	46,354	46,873	45,475
99.0	Reimbursable obligations	2,196	1,394	900
99.9	Total obligations	48,550	48,267	46,375

# Personnel Summary

Total number of full-time permanent positions	863	865	868
Total compensable workyears: Full-time equivalent employment	862	899	872

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	ion code 12-1701-6-1-352	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>—</b> 1,982	
F 40.00	inancing: Budget authority (appropriation)		<b>—1,982</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-1,982	
72.40	Obligated balance, start of year			-316
74.40	Obligated balance, end of year		316	
90.00	Outlays		-1.666	-31

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Trust Funds

#### MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identificat	tion code 12-8227-0-7-352	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations	8	20	
21.40 24.40	inancing: Unobligated balance available, start of year Unobligated balance available, end of year	20	20	
60.00	Budget authority (appropriation) (permanent, indefinite)	28		
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	8	20	
72.40	Obligated balance, start of year	16	5	
74.40	Obligated balance, end of year	<b>—</b> 5		
78.00	Adjustments in unexpired accounts	10		
90.00	Outlays	29	25	

Miscellaneous funds received from States, local organizations, and others are available for support of economic research and analysis (7 U.S.C. 450b, 450h).

# Object Classification (in thousands of dollars)

Identifica	ation code 12-8227-0-7-352	1985 actual	1986 est.	1987 est.
11.1	Personnel compensation: Full-time permanent	8	18	
12.1	Personnel benefits: Civilian		2	
99.9	Total obligations	8	20	

# ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriations as follows:

Agriculture: Soil Conservation Service: "River basin surveys and investigations."

# WORLD AGRICULTURAL OUTLOOK BOARD

#### Federal Funds

## General and special funds:

# WORLD AGRICULTURAL OUTLOOK BOARD

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), \$1,680,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code 12-2100-0-1-352	1985 actual	1986 est.	1987 est.
	rogram by activities:			
00.01	Direct program	1,650	1,670	1,680
01.01	Reimbursable program	47	58	60
10.00	Total obligations	1,697	1,728	1,740
F	inancing:			
11.00	Offsetting collections from: Federal funds	<b>—47</b>	<b> 58</b>	60
25.00	Unobligated balance lapsing	26		
39.00	Budget authority	1,676	1,670	1,680

40.00 40.00	udget authority: AppropriationReduction pursuant to P.L. 99–190	1,676	1,680 — 10	1,680
43.00	Appropriation (adjusted)	1,676	1,670	1,680
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,650	1,670	1,680
72.40	Obligated balance, start of year	377	392	398
74.40	Obligated balance, end of year	<b>— 392</b>	<b>— 398</b>	<b>—404</b>
77.00	Adjustments in expired accounts	<b>—28</b>		
90.00	Outlays	1,608	1,664	1,674

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	1,676	1,670	1,680
Outlays	1,608	1.664	1.674
Reduction pursuant to P.L. 99-177: °		,	,-
Budget authority		<b>—72</b>	***************************************
Outlays		<b>—</b> 55	<b>— 17</b>
Total:			
Budget authority	1,676	1,598	1,680
Outlays	1,608	1,609	1,657

The World Agricultural Outlook Board (WAOB) was established to provide a single focal point for the Nation's economic intelligence related to domestic and international food and agriculture.

The objectives of the WAOB are to improve the consistency, objectivity, and reliability of outlook and situation material being disseminated to the public and to integrate and coordinate USDA domestic and international economic information assistance.

The WAOB carries out these objectives through daily market surveillance and special analyses of international and domestic agricultural developments, direct participation in the planning of research programs supporting outlook and situation activities, and coordination of all departmental activities relating to weather and climate and remote sensing.

The 1987 budget includes funds for global weather monitoring and analysis and eliminates funds for LANDSAT.

# Object Classification (in thousands of dollars)

Identificat	tion code $12-2100-0-1-352$	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	1,064	1,117	1,130
11.3	Other than full-time permanent	24	14	15
11.9	Total personnel compensation	1,088	1,131	1,145
12.1	Personnel benefits: Civilian	117	123	124
21.0	Travel and transportation of persons	20	30	33
23.3	Communications, utilities, and miscella-			
	neous charges	60	68	80
24.0	Printing and reproduction	19	21	22
25.0	Other services	263	203	181
26.0	Supplies and materials	31	26	27
31.0	Equipment	52	68	68
99.0	Subtotal, direct obligations	1,650	1,670	1,680
99.0	Reimbursable obligations	47	58	60
99.9	Total obligations	1,697	1,728	1,740

Personnel Summa	ry		
Total number of full-time permanent positions  Total compensable workyears: Full-time equivalent	29	30	30
employment	29	30	30

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands	0î	(dollars	1
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Identifica	tion code 12-2100-6-1-352	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>—72</b>	
F 40.00	inancing: Budget authority (appropriation)		<b>-72</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>—72</b>	***************************************
72.40	Obligated balance, start of year			<b>—</b> 17
74.40	Obligated balance, end of year		17	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

#### FOREIGN AGRICULTURAL SERVICE

#### Federal Funds

General and special funds:

#### FOREIGN AGRICULTURAL SERVICE

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$110,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$71,882,000; of which not less than \$255,000 shall be available to obtain statistics and related facts on foreign production and information on methods used by other countries to move farm commodities in world trade on a competitive basis. (7 U.S.C. 1762, 2201-02; 19 U.S.C. 2501: 22 U.S.C. 3963.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# GENERAL SALES MANAGER

#### (ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

Not to exceed \$6,089,000 may be transferred from the Commodity Credit Corporation funds to support the General Sales Manager who shall work to expand and strengthen sales of U.S. commodities (including those of the Corporation) in world markets pursuant to existing authority. The General Sales Manager shall report directly to the Board of Directors of the Corporation. The General Sales Manager shall obtain and analyze all available information on developments related to private sales, as well as those funded by the Corporation, including grade and quality as sold and as delivered, including information relating to the effectiveness of greater reliance by the General Sales Manager upon loan guarantees as contrasted to direct loans for financing commercial export sales of agricultural commodities out of private stocks on credit terms, as provided in titles I and II of the Agricultural Trade Act of 1978, Public Law 95-501, and shall submit annual reports to the appropriate committees of Congress concerning such developments.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### General and special funds-Continued

GENERAL SALES MANAGER—Continued (ALLOTMENT FROM COMMODITY CREDIT CORPORATION)—Continued

Program and Financing (in thousands of dollars)

Identifica	tion code 12-2900-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Foreign agricultural affairs	20,728	21,766	22,525
00.02	Foreign market information and access	11,954	12,212	12,275
00.03	Foreign market development	49,202	49,068	37,082
00.04	LANDSAT data	1,000		
00.91	Total direct program	82,884	83,046	71,882
01.01	Reimbursable program	2,187	2,564	2,480
10.00	Total obligations	85,071	85,610	74,362
F	inancing:			
11.00	Offsetting collections from: Federal funds	2,187	-2.564	2.48
25.00	Unobligated balance lapsing	738		
39.00	Budget authority	83,622	83,046	71,882
В	udget authority:			
40.00	Appropriation	83,622	83,547	71,882
40.00	Reduction pursuant to P.L. 99-190			
43.00	Appropriation (adjusted)	83,622	83,046	71,882
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	82,884	83,046	71,882
72.40	Obligated balance, start of year	56,583	62,556	62,360
74.40	Obligated balance, end of year	-62,556	-62,360	62,360
77.00	Adjustments in expired accounts	-646		
90.00	Outlays	76,265	83,242	71,88

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars] 1985 actual 1986 estimate 1987 estimate Enacted/requested: Budget authority ..... 83,622 83,046 71,882 Outlays ..... 83,242 71,882 76.265 Reduction pursuant to P.L. 99-177: Budget authority ..... -3.571Oui!ays..... -1,969-1,602Total: Budget authority ..... 83,622 79,475 71.882 76,265 81,273 70,280

The Foreign Agricultural Service mission is to help American farmers and traders take maximum advantage of increased opportunities to sell U.S. agricultural commodities abroad and to help increase U.S. farm income.

Activities are conducted within four program areas: Foreign agricultural affairs.—The Service maintains agricultural counselors, attachés or trade officers at 76 foreign posts to assist overseas development of markets for U.S. farm commodities. They work closely with numerous U.S. agricultural trade groups and maintain significant contacts with foreign governments and traders to promote market access for U.S. farm products. They also file annually about 4,000 comprehensive reports regarding foreign agricultural production, supply, demand, marketing and trade policy developments to keep U.S. agriculture, industry, and Government currently informed.

#### PROGRAM STATISTICS

	1985 actual	1986 estimate	1987 estimate
Number of countries covered	110	110	110
Number of trade and Government visitors	24,800	25,000	25,500
Number of posts accessible by telecommunica-			
tions. 1	54	58	63
1 Global Economic Oata Eychange System			

Foreign market information and access.—This program forges a link between the Foreign Agricultural Affairs program and the agency's analytical/informational and market development planning/services functions that serve the U.S. agricultural community and Government decisionmakers. The analysis and timely release of periodicals on world commodity conditions allow U.S. farm and trade groups to have ready access to information that can be used as reliable sources to assess short-term changes in world agricultural supply conditions by commodity.

The analyses of world commodity conditions provide the information necessary to develop export marketing strategies that can be used by the Department not only to gain market access but to enhance the long term market development plans for major U.S. commodities.

Foreign market development.—This program provides funding support to 47 commodity associations (cooperators), 16 contractors participating in the export incentive program, 24 private firms participating in the Value-Added Product Promotion Program, 4 regional groups (representing 47 State departments of agriculture) and the National Association of State Departments of Agriculture. Under FAS guidance and supervision, these organizations conduct an extensive worldwide market development program on behalf of the U.S. farm sector. In addition, the Service develops and operates a worldwide system of multicommodity promotional programs utilizing product exhibits, trade teams, trade services, market information programs, and trade referral services to expand overseas markets. Historically, FAS contributes approximately 30 percent of the total annual cost of this program. In 1987, the FAS contribution will be decreased to 25 percent.

#### PROGRAM STATISTICS

	1985 actual	1986 estimate	1987 estimate
Number of commodity associations and firms ac-			
tively working with FAS	64	61	60
Number of agricultural trade offices (ATO)	14	15	15
Number of countries covered by ATO's	32	33	33
Number of visitors to ATO's	6,620	7,000	8,000

LANDSAT data.—In 1986, FAS discontinued purchase of LANDSAT remote sensing data from the direct appropriation. LANDSAT imagery used to cover the Soviet Union is now purchased from funds made available by the Commodity Credit Corporation.

Object Classification (in thousands of dollars)

Identification	on code 12-2900-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	23,022	23,423	23,828
11.3	Other than full-time permanent	416	368	368
11.5	Other personnel compensation	462	463	463
11.8	Special personal services payments	61	10	10
11.9	Total personnel compensation	23,961	24.264	24,669
12.1	Personnel benefits: Civilian	3,211	3,378	3,460

13.0	Benefits for former personnel	111	87	79
21.0	Travel and transportation of persons	2,417	2,757	2,924
22.0	Transportation of things	784	948	1,033
23.2	Rental payments to others	695	679	685
23.3	Communications, utilities, and miscella-			
	neous charges	3,172	4,098	4,539
24.0	Printing and reproduction	507	586	734
25.0	Other services	44,662	44,441	31,380
26.0	Supplies and materials	774	859	867
31.0	Equipment	2,588	939	1,502
42.0	Insurance claims and indemnities	2	10	10
99.0	Subtotal, direct obligations	82,884	83,046	71,882
99.0	Reimbursable obligations	2,187	2,564	2,480
99.9	Total obligations	85,071	85,610	74,362
_				

# Personnel Summary

Di	irect:			
	Total number of full-time permanent positions	740	732	724
	Total compensable workyears:			
	Full-time equivalent employment	722	688	679
	Full-time equivalent of overtime and holiday			
	hours	2	2	2
η.	windows at la			
Νŧ	eimbursable:			
	Total number of full-time permanent positions	2	1	1
	Total compensable workyears: Full-time equiva-			
	lent employment	2	1	1

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identificat	tion code 12-2900-6-1-352	1985 actual	1986 est.	1987 est.
10.00	Program by activities: Total obligations		-3,571	
40.00	inancing: Budget authority (appropriation)		<b>— 3,571</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-3,571	
72.40	Obligated balance, start of year			1,602
74.40	0.11 . 1.1		1,602	
90.00	Outlays		-1,969	-1,602

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

1986 est.

# Program and Financing (in thousands of dollars)

Identification code 12-2901-0-1-352

F	inancing:			
21.40	Unobligated balance available, start of year	-143	<b>—143</b>	
24.40	Unobligated balance available, end of year	143		
25.00	Unobligated balance lapsing		143	
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			
72.40	Obligated balance, start of year	74	74	
74.40	Obligated balance, end of year			
			74	

# OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

#### Federal Funds

#### General and special funds:

#### OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

For necessary expenses of the Office of International Cooperation and Development to coordinate, plan, and direct activities involving international development, technical assistance and training, and international scientific and technical cooperation in the Department of Agriculture, including those authorized by the Food and Agriculture Act of 1977 (7 U.S.C. 3291), \$3,051,000: Provided, That the Office may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392). (7 U.S.C. 427, 450a, 450b, 1624, 1709, 1727, 1736, 1761, 2201, 2202.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-3200-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities: Direct program:			
00.01 00.02	International agricultural development International scientific and technical co-	1,703	1,921	222
	operation	3,295	3,463	2,829
00.91	Total direct program	4,998	5,384	3,051
01.01	Reimbursable program: Technical assistance and analyses to aid			
01.01	foreign developmentSubsistence, tuitions, and training for	27,269	23,721	24,332
	foreign nationals in the United States	10,411	12,082	12,393
01.03	International research	119	90	92
01.91	Total reimbursable program	37,799	35,893	36,817
10.00	Total obligations	42,796	41,277	39,868
F	inancing:			
11.00	Offsetting collections from: Federal funds	<b>—37,184</b>	-35,228	-36,152
14.00	Non-Federal sources	<b>-615</b>	<b>-665</b>	<b>- 665</b>
25.00	Unobligated balance lapsing	40		
39.00	Budget authority	5,038	5,384	3,051
	udget authority:			
40.00 40.00	AppropriationReduction pursuant to P.L. 99–190	5,038	5,417 — 33	3,051
43.00	Appropriation (adjusted)	5,038	5,384	3,051
	elation of obligations to outlays:	4.000	E 204	2.051
71.00 72.10	Obligations incurred, net	4,998	5,384	3,051
74.10	of year	<b>—37,609</b>	<b>— 37,656</b>	37,548
74.10	Receivables in excess of obligations, end of year	37,656	37,548	37,517
77.00	Adjustments in expired accounts	6,541		
90.00	Outlays	11,586	5,276	3.020

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

•			
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	5,038	5.384	3.051
Outlays	11.586	5,276	3.020
Reduction pursuant to P.L. 99-177:	,	,	-,
Budget authority		<b>— 232</b>	

#### General and special funds-Continued

Office of International Cooperation and Development—
Continued

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS-Continued

[In thousands of dollars]

Outlays	1985 actual	1986 estimate — 255	1987 estimate — 6
Total:			
Budget authority	5,038	5,152	3,051
Outlays	11,586	5,021	3,014

The mission of the Office of International Cooperation and Development (OICD) is to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people.

International agricultural development.—OICD analyzes agricultural policy issues related to USDA's international agricultural development efforts, and supports the Cancun Presidential Agricultural Task Forces, the International Science and Education Council, and the agriculture information center. The Agency also formulates and reviews food aid development activities supported by Public Law 480 Titles I and III agreements.

International scientific and technical cooperation.— OICD manages the Department's bilateral exchange and cooperative research programs with foreign governments and institutions in order to strengthen the role of science and technology in the ongoing effort to stabilize world food supplies and to increase the efficiency with which world resources are used. Priorities and criteria for these programs are based on domestic research priorities, potential benefits to U.S. agricultural production, and the availability of desired technologies. OICD coordinates USDA's and the U.S. Government's participation in approximately 30 international organizations concerned with food, agriculture and rural development.

Reimbursable program.—OICD, utilizing USDA and university expertise, provides technical assistance and training to developing countries at the request of AID and international organizations. OICD manages technical assistance projects in over 50 countries, focusing on land and water management, crop and livestock production and marketing, forestry, pest control, resource conservation and other areas. OICD offers a technical and management training program in agriculture and rural development to participants from foreign countries and designees of international organizations.

Object Classification (in thousands of dollars)

Identifica	tion code 12-3200-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations: Personnel compensation:			
11.1	Full-time permanent	1,352	1,538	1,261
11.3	Other than full-time permanent	38	40	40
11.9	Total personnel compensation	1,390	1,578	1,301
12.1	Personnel benefits: Civilian	164	178	147
21.0	Travel and transportation of persons	790	800	600
22.0	Transportation of things	18	24	12
23.2	Rental payments to others	8	10	10
23.3	Communications, utilities, and miscella-	_		
	neous charges	73	96	90

25.0	Other services	1,935	2,000	781
26.0	Supplies and materials	20	25	20
31.0	Equipment	58	90	40
41.0	41.0   Grants, subsidies, and contributions	30		
99.0	Subtotal, direct obligations	4,998	5,384	3,051
99.0	Reimbursable obligations	37,799	35,893	36,817
99.9	Total obligations	42,796	41,277	39,868
Direct		mary		
Tota	al number of full-time permanent positions al compensable workyears: Full-time equiva-	60	60	60
	ent employment	57	58	52
Reimbi	ursements:			
	al number of full-time permanent positions	136	136	136

Printing and reproduction .....

Total compensable workyears:

Full-time equivalent employment...

Full-time equivalent of overtime and holiday

24.0

#### Reduction Pursuant to Public Law 99-177

134

2

127

5

123

Program and Financing (in thousands of dollars)

3 ,						
Identificat	tion code 12-3200-6-1-352	1985 actual	1986 est.	1987 est.		
10.00	Program by activities: Total obligations		<b>-261</b>			
25.00	inancing: Reduction in new spending authority (off- setting collections)		29			
40.00	Budget authority (appropriation)		-232			
R	elation of obligations to outlays:					
71.00	Obligations incurred, net		-261			
72.40	Obligaged balance, start of year			-6		
74.40	Obligated balance, end of year		6			
90.00	Outlays		<b>— 255</b>	-6		

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# [Scientific Activities Overseas (Foreign Currency Program)]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code 12-1404-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01	Market development research (sec. 104(b)(1))	300	300	5:
00.02	Agricultural and forestry research (sec. 104(b)(3))	5,463	2,182	38:
00.03	Translation and dissemination of scientific publications (sec. 104(b)(3))	500	500	
10.00	Total obligations	6,263	2,982	43
F	inancing:			
21.40 24.40	Unobligated balance available, start of year Unobligated balance available, end of year	1,316 53	-53 53	-5 -38
39.00	Budget authority	5,000	2,982	•••••
R	udget authority:			
40.00	Appropriation	5,000	3,000	

3,352

40.00	Reduction pursuant to P.L. 99-190			
43.00	Appropriation (adjusted)	5,000	2,982	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	6,263	2,982	434
72.40	Obligated balance, start of year	16,808	18,723	15,031
74.40	Obligated balance, end of year	18,723	-15,031	-10,258
90.00	Outlays	4,348	6,674	5,207

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dol	lars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	5,000	2,982	
Outlays	4,348	6,674	5,207
Reduction pursuant to P.L. 99-177:			
Budget authority		-128	
Outlays		64	<del>- 64</del>
Total:			
Budget authority	5,000	2,854	
Outlays	4,348	6,610	5,143

As authorized by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support research on problems of mutual interest to the United States and participating foreign countries. For 1987, no new budget authority is requested. This activity will be phased out over a 4-year period.

Object Classification (in thousands of dollars)

Identifica	tion code 12-1404-0-1-352	1995 actual	1986 est.	1987 est.
11.1	Personnel compensation: Full-time perma-			
	nent	35	35	25
12.1	Personnel benefits: Civilian	3	3	2
21.0	Travel and transportation of persons	288	175	123
22.0	Transportation of things	11	11	50
23.3	Communications, utilities, and miscellane-			
	ous charges	20	20	20
24.0	Printing and reproduction	4	4	4
25.0	Other services	1.049	400	200
26.0	Supplies and materials	15	15	10
41.0	Grants, subsidies, and contributions	4,838	2,319	
99.9	Total obligations	6,263	2,982	434
	Personnel Sum	mary		
	number of full-time permanent positions compensable workyears: Full-time equivalent	9	5	4
	ployment	9	5	4

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-1404-6-1-352	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		-128	
40.00	inancing: Budget authority (appropriation)		<b>— 128</b>	
71.00 72.40 74.40	elation of obligations to outlays: Obligations incurred, netObligated balance, start of yearObligated balance, end of year		-128 	64
90.00	Outlays		<b>-64</b>	<u>- 64</u>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# Trust Funds MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

tion code 12-8232-0-7-352	1985 actual	1986 est.	1987 est.
rogram by activities:			
Total obligations	1,994	3,257	3,352
inancing:			
Unobligated balance available, start of year	-2,132	<b>-4,927</b>	-4,927
Unobligated balance available, end of year	4,927	4,927	4,927
Budget authority (appropriation) (permanent, indefinite)	4,789	3,257	3,352
elation of obligations to outlavs:			
Obligations incurred, net	1,994	3,257	3,352
Obligated balance, start of year	1,971	383	383
Obligated balance, end of year	383	383	-383
	rogram by activities: Total obligations inancing: Unobligated balance available, start of year Unobligated balance available, end of year  Budget authority (appropriation) (permanent, indefinite)	rogram by activities: Total obligations	Trogram by activities:   1,994   3,257

Miscellaneous funds are received from the Department of State and from Saudi Arabia and other developing countries for USDA development assistance and international research projects (22 U.S.C. 2392). The fiscal year 1987 program estimates reflect an increased level of technical assistance requested by Spain.

90.00

employment ......

# Object Classification (in thousands of dollars)

Identifica	ation code 12-8232-0-7-352	1985 actual	1986 est.	1987 est.
11.1	Personnel compensation: Full-time perma-			
	nent	1,148	1,150	1,150
12.1	Personnel benefits: Civilian	122	130	130
21.0	Travel and transportation of persons	137	100	100
22.0	Transportation of things	182	30	30
23.2	Rental payments to others	7	7	7
24.0	Printing and reproduction	6	6	6
25.0	Other services	2	1,512	1,607
26.0	Supplies and materials	128	80	80
31.0	Equipment	87	50	50
41.0	Grants, subsidies, and contributions	175	192	192
99.9	Total obligations	1,994	3,257	3,352
	Personnel Sum	mary		
	number of full-time permanent positions	20	20	20

#### FOREIGN ASSISTANCE PROGRAMS

20

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Facilities and funds of the Commodity Credit Corporation may by law be used in carrying out programs for exporting agricultural commodities.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended: Financing sales of agricultural commodities for dollars, for convertible foreign currency on credit terms, or for convertible foreign currency for use under section 108 of the Act, and furnishing commod-

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ities to carry out the Food for Progress Act of 1985 (titles I and III); and for dispositions abroad (title II).

No agreements to finance sales under the authority of title I or programs of assistance under title II may be entered into after December 31, 1990.

#### Federal Funds

#### General and special funds:

#### Public Law 480

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, 1731-1736g), as follows: (1) financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms pursuant to titles I and III of said Act, or for convertible foreign currency for use under 7 U.S.C. 1708, and for furnishing commodities to carry out the Food for Progress Act of 1985, not more than \$944,400,000; of which \$564,400,000 is hereby appropriated and the balance derived from proceeds from sales of foreign currencies and dollar loan repayments, repayments on long-term credit sales, and carryover balances, and (2) commodities supplied in connection with dispositions abroad, pursuant to title II of said Act, not more than \$600,000,000, of which \$600,000,000 is hereby appropriated: Provided, That not to exceed 10 per centum of the funds made available to carry out any title of this paragraph may be used to carry out any other title of this paragraph.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-2274-0-1-151	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Financing the sale of agricultural commod-			
	ities for foreign currencies and for dol- lars on credit terms (titles I and III)	1,052,774	1,030,000	944,400
00.02	Commodities supplied in connection with	1,002,774	1,000,000	344,400
	dispositions abroad (title II)	1,052,590	781,931	600,000
00.91	Total program level funded	2,105,364	1,811,931	1,544,400
01.01	Amount financed by balance in CCC and by			, ,
	receipts	<u> </u>	<u>— 380,842</u>	-380,000
10.00	Total obligations (object class 25.0)	1,842,069	1,431,089	1,164,400
F	inancing:			
21.40	Unobligated balance available, start of year	<b>— 235,000</b>	-356,931	
24.40	Unobligated balance available, end of	050 001		
25.00	year	356,931	225,000	
23.00	Unobligated balance lapsing			
39.00	Budget authority	1,964,000	1,299,158	1,164,400
В	udget authority:			
40.00	Appropriation	1,964,000	1,307,000	1,164,400
40.00	Reduction pursuant to P.L. 99–190		7,842	
43.00	Appropriation (adjusted)	1,964,000	1,299,158	1,164,400
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,842,069	1,431,089	1,164,400
72.40	Obligated balance, start of year	303,940	430,908	423,066
74.40	Obligated balance, end of year	<u>- 430,908</u>	_423,066	<u>-423,066</u>
90.00	Outlays	1,715,100	1,438,931	1,164,400

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS [In thousands of dollars]

Encoto	d /raquested	1985 actual	1986 estimate	1987 estimate
Bud Outl	d/requested: get authorityaysaysays pursuant to P.L. 99–177:	1,964,000 1,715,100	1,299,158 1,438,931	1,164,400 1,164,400
Bud	get authorityays		- 55,864 - 65,738	<u>-6,502</u>
	get authorityays	1,964,000 1,715,100	1,243,294 1,373,193	1,164,400 1,157,898
	Status of Direct Loans (in	thousands of	dollars)	
Identifica	tion code 12-2274-0-1-151	1985 actual	1986 est.	1987 esl.
1111	Position with respect to appropriations act limitation on obligations:  Limitation on direct loans to the public			
1131	Obligations exempt from limitation: Direct loans to the public 1	975,100	946,700	827,000
1150	Total direct loan obligations	975,100	946,700	827,000
C	dumulative balance of direct loans out-			
1210 1231 1251 1261	Outstanding, start of year	9,268,945 961,011 —198,344 14,089	10,045,701 946,700 —234,562	10,757,839 827,000 — 216,963
1290	Outstanding, end of year	10,045,701	10,757,839	11,367,876

The 1986 loan level is subject to sequestration under Public Law 99–177. The post-sequestration loan level constitutes a de facto limitation.

#### RECONCILIATION OF PROGRAM LEVEL TO PROGRAM COSTS FUNDED BY CCC

[In thousands of dollars]

fill thousands of our	aisj		
Titles I/III  Gross commodity costs  Ocean freight differential and ocean transportation	1985 actual	1986 estimate	1987 estimate
	1,001,010	946,700	845,000
	119,842	111,800	117,400
Subtotal	1,120,852	1,058,500	962,400
	— 21,233	— 28,500	18,000
Total program level, current year	1,099,619	1,030,000	944,400
	76,707	123,552	123,552
	—123,552	—123,552	—123,552
Total program costs, funded	1,052,774	1,030,000	944,400
Title II			
Commodity costs	617,200	438,400	394,200
	450,869	343,531	205,800
Total program level, current year	1,068,069	781,931	600,000
	273,158	288,637	288,637
	— 288,637	— 288,637	— 288,637
Total program costs, funded	1,052,590	781,931	600,000

Financing the sale of agricultural commodities for foreign currencies, for dollars on credit terms, for convertible foreign currency for use under section 108; and furnishing commodities to carry out the Food for Progress Act of 1985 (titles I and III).—The Corporation finances all sales made pursuant to agreements concluded under the authority of title I, and may serve as the purchasing or shipping agent, or both, if the purchaser so requests. Sales are made to friendly countries—as defined in section 103(d) of the act—and must not displace expected commercial sales for cash dollars (secs. 103 (c) and (n)).

Agreements may not be made under title I in any calendar year which call for an appropriation to reimburse the Corporation in excess of \$1.9 billion, plus unused prior years' authorizations.

Whenever practicable, terms of agreements must require payment at time of delivery of not less than 5% of the purchase price in dollars or in currencies convertible to dollars. These initial payments are applied

against costs to reduce appropriation requests.

When U.S.-flag vessels are required to ship commodities under this title, the Corporation will pay the differential between U.S.-flag rates and foreign-flag rates. In limited cases, full transportation costs to port of entry or point of entry abroad may be included along with the cost of the commodity in the amount financed by CCC in order to ensure that U.S. food aid would reach the most needy recipients.

Use of foreign currency (title I).—Certain U.S. uses of foreign currencies are subject to the appropriation process. The Corporation is reimbursed for the dollar value of currencies so used. Proceeds from sales of foreign currencies and from dollar repayments of foreign currency loans are applied as a reduction in appropriation

requests.

Financing sales of agricultural commodities for dollars or convertible foreign currencies on credit terms (title I).—Agreements are made with friendly countries for delivery in annual installments for not more than 10 years from the date of the agreement subject to the availability of the commodity.

Credit terms are to be no less favorable than those required by section 122 of the Foreign Assistance Act of 1961, as amended, for loans made under that section.

Repayments under dollar credit agreements are not more than 20 years with a grace period of not more than 2 years on repayment of principal. Convertible foreign currency terms permit repayment of up to 40 years with deferral of principal payments for up to 10 years. As payments are received each year, they are applied against current costs to reduce appropriation requests.

Financing sales of agricultural commodities for convertible foreign currencies to be used pursuant to section 108 (title I).—Title I sales may be financed for convertible foreign currencies which are then loaned to financial intermediaries in the recipient country pursuant to agreements whereby the intermediaries would reloan the funds to promote private enterprise institutions. Funds repaid by the financial intermediaries may be used to finance additional private enterprise investment, develop new markets, pay U.S. obligations, or be converted to dollars.

Furnishing commodities to carry out the Food for Progress Act of 1985 (title I).—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist countries that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

Total title I agreements made since inception to September 30, 1985, amount to \$15,177.4 million cost value, including ocean freight for shipment on U.S. ships. Major commodities are wheat, cotton, oils, rice, and

feed grains. Payments received during the period amount to \$3,821.4 million, of which \$2,364.7 million was applied to principal and \$1,456.7 million to interest.

The following table reflects the composition of the combined appropriations (in thousands of dollars):

#### SALES FOR DOLLARS ON CREDIT TERMS

Item:			
Expenses of shipments:	1985 actual	1986 estimate	1987 estimate
Commodity costs: Long-term credit Ocean freight and freight differential (support of U.S. Merchant Marine): Long-term	942,680	918,200	827,000
credit	110,094	111,800	117,400
Total expenses of shipments	1,052,774	1,030,000	944,400
Deduct collections:  Proceeds from sales and use of currencies and loan repayments (foreign currency) Payments from foreign governments, includ- ing interest, applied to reduce appropria-	- 53,676	-16,600	<b>— 8,700</b>
tion (long-term credit)	_ 336,587	_356,400	371,300
Total foreign currency	-53,676	-16.600	8,700
Total long-term credit	716,187	673,600	573,100
Total	662,511	657,000	564,400
Prior years' costs or funds brought or carried forward:			
1984: Funds: Long-term credit	-186,613		
1985: Funds: Long-term credit	139,102	-139,102	
1986: Funds: Long-term credit		135,160	<b>— 135,160</b>
1987: Funds: Long-term credit Foreign currency funds applied to long-term credit costs:		······································	135,160
Foreign currency	53,676	16,600	8,700
Long-term credit	53,676		<b>— 8,700</b>
Appropriation or estimate: Long-term credit	615,000	653,058	564,400

Commodities supplied in connection with dispositions abroad (title II).—Under title II, agricultural commodities are furnished to developing countries to meet famine or other emergency relief needs and to combat malnutrition. They are furnished through friendly governments, private voluntary agencies, foreign nonprofit voluntary agencies if no such U.S. agency is available, and intergovernmental organizations such as the United Nations World Food Program.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery to U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are unavailable, where ports cannot be used effectively, or where a substantial saving in costs or time can be obtained, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements.

Up to \$7.5 million each year may be used to buy foreign currencies accruing under title I of this act to meet costs directed to community and other self-help

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General and special funds-Continued

Public Law 480—Continued

activities designed to alleviate the causes of the need for such aid. Such costs may not include personnel and administrative costs of cooperating sponsors, distribut-

ing agencies and recipient agencies.

Through December 31, 1985, appropriations totaling \$16,850 million were authorized. Beginning October 1, 1985, no programs of assistance shall be undertaken under this title during any fiscal year which call for an appropriation of more than \$1 billion to reimburse the Corporation. This limitation applies to costs incurred. including its investment in commodities (but only on the basis of a price not greater than the export market price of commodities acquired under a price support program), plus any amount by which programs of assistance undertaken under this title in the preceding fiscal year have called or will call for appropriations in amounts less than authorized during the preceding year. This limitation may be waived if the President determines that a waiver is necessary to undertake programs to meet urgent humanitarian needs. Any incidental sales proceeds and proceeds from loss, damage, and other claims are applied against costs to reflect a reduction in appropriation requests.

The following reflects the composition of the appro-

priations (in thousands of dollars):

#### COMMODITIES SUPPLIED IN CONNECTION WITH DISPOSITIONS ABROAD

Item:			
Expenses of shipments:	1985 actual	1986 estimate	1987 estimate
Commodity Credit Corporation stocks and other costs in connection with commodities			
supplied	701,575	438,400	394,200
Ocean transportation	351,015	343,531	205,800
Total program costs	1,052,590	781,931	600,000
Prior years' costs or funds brought or carried			
forward:			
1984: Funds	— 352,327		
1985: Funds	373,037	<i>—</i> 373,037	
1985: Funds deferred to 1986	50,700	<b></b> 50,700	
1986: Funds		287,906	-287,906
1987: Funds			287,906
Appropriation or estimate	1,124,000	646,100	600,000

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

IdenIificat	ion code 12-2274-6-1-151	1985 actual	1986 est.	1987 esi.
10.00	rogram by activities: Total obligations		<b>—72,240</b>	
21.40 24.40 40.00	inancing: Unobligated balance available, start of year Unobligated balance available, end of year Budget authority (appropriation)		16,376 ————————————————————————————————————	—16,376 ————————————————————————————————————
	elation of obligations to outlays:		70.040	
71.00 72.40 74.40	011111111111111111111111111111111111111		-72,240 	<b>— 6,502</b>
90.00	Outlays		-65,738	<b> 6,502</b>

#### Status of Direct Loans (in thousands of dollars)

Identifica	lion code 12–2274–6–1–151	1985 actual	1986 est.	1987 esl.
P	Position with respect to appropriations			
1111 1131	act limitation on obligations: Limitation on direct loans to the public Obligations exempt from limitation: Direct			
	loans to the public		40,708	
1150	Total direct loan obligations		<b>— 40,708</b>	
C	Cumulative balance of direct loans out-	1		
1210	standing: Outstanding, start of year			<b>— 40.708</b>
1231	Disbursements: Direct loan disbursements		-40,708	
1251	Repayments: Repayments and prepayments			
1290	Outstanding, end of year		<b>—40,708</b>	<b>—40,708</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES\*

(INCLUDING TRANSFERS OF FUNDS)

\*See Part II for additional information.

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q); sections 1001 to 1004, 1006 to 1008, and 1010 of the Agricultural Act of 1970 as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501 to 1504, 1506 to 1508, and 1510); the Water Bank Act, as amended (16 U.S.C. 1301-1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); the United States Warehouse Act, as amended (7 U.S.C. 241-273); and laws pertaining to the Commodity Credit Corporation, \$417,396,000, to be derived by transfer from the Commodity Credit Corporation fund and in addition, subject to the approval of the Secretary of Agriculture, not to exceed \$46,300,000 may be transferred to this account from the Commodity Credit Corporation fund to replace unrealized estimated receipts from service fees: Provided, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this account: Provided further, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That no part of the funds made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations. (7 U.S.C. 135b, 442-445, 447-449, 450j-1, 608c, 624, 1282, 1421-33, 1441-49, 1691-92, 1701-10, 1721-24, 1731-36f, 1781-87, 1838, 1851-54, 1856-57, 1859; 15 U.S.C. 712a, 713a-4—713a-13, 714-714p; 31 U.S.C. 9101, 9103-9109; 40 U.S.C. App. A203, A401-5; 50 U.S.C. App. 1917; Public Law 96-108, 93 Stat. 835; Public Law 96-528, 94 Stat. 3111; Public Law 97-103, 95 Stat. 1467; Public Law 97-370, 96 Stat. 1787.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the

extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Program	and	Financing	(in	thousands	of	dollars)	

Identificat	ion code 12-3300-0-1-351	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01 00.02	Program formulation and appraisal  Operation of supply adjustment, conserva-	16,403	17,027	18,62
	tion, and price support programs	381,266	395,764	432,80
00.03	Inventory management and merchandising	45,663	47,400	51,83
00.04	Warehouse examination	5,674	6,181	5,92
10.00	Total obligations	449,006	466,372	509,19
F	inancing:			
	Offsetting collections from: Federal funds:			
11.00	Commodity Credit Corporation fund	-344,199	-400.821	<b>—417,39</b>
11.00	Other	-40,839	-31,087	- 28,67
14.00	Non-Federal sources	-15,982	-34,266	-63,11
25.00	Unobligated balance lapsing	2,570		
39.00	Budget authority	50,556	198	***************************************
В	udget authority:			
40.00	Appropriation	50,857		
40.00	Reduction pursuant to P.L. 99-190			
41.00	Transferred to other accounts	-301		
42.00	Transferred from other accounts		198	
43.00	Appropriation (adjusted)	50,556	198	•••••
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	47,986	198	
72.40	Obligated balance, start of year	49,041	24,815	3,79
74.40	Obligated balance, end of year	<b>— 24,815</b>	-3,797	
77.00	Adjustments in expired accounts			***************************************
90.00	Outlays	70,836	21,216	3,79

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

ars]		
1985 actual	1986 estimate	1987 estimate
50,556	198	
70,836	21,216	3,797
		***************************************
	1,473	
50,556	198	***************************************
70,836	19,743	3,797
	1985 actual 50,556 70,836	1985 actual 1986 estimate 50,556 198 70,836 21,216

This account includes funds to cover expenses of programs administered by, and functions assigned to, the Service. The funds consist of transfers from the Commodity Credit Corporation (CCC), user fees, and miscellaneous advances from other sources. This is a consolidated account for administrative expenses of national, commodity, State, and county offices.

Program formulation and appraisal.—The supply adjustment, conservation, and commodity support programs, and the management and merchandising of commodities acquired under the support program, have a tremendous impact on the national and (to a lesser extent) the international economy. This activity provides for constant review of the effectiveness of these programs. It also provides for the analysis of data to formulate more effective programs.

Operation of supply adjustment, conservation, and price support programs.—This activity includes all functions dealing with the administration of programs carried out through the farmer committee system, includ-

ing: (a) developing program regulations and procedures; (b) holding meetings with employees and producers to discuss new programs or changes in existing programs; (c) collecting and compiling basic data for individual farms; (d) establishing individual farm allotments, bases, and yields; (e) notifying producers of established allotments, bases, and yields; (f) determining farm marketing quotas; (g) handling appeals; (h) conducting referendums and certifying results; (i) accepting farmer certifications and checking compliance; (j) accepting producer applications for participation in commodity price stabilizing programs; (k) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (1) processing producer requests for conservation cost-sharing; (m) processing commodity loan and storage facility loan documents and issuing checks; (n) processing deficiency and diversion payments and issuing checks; and (o) monitoring payment limitations.

Inventory management and merchandising.—This activity includes: (a) overall management of CCC-owned commodities; (b) selling commodities; (c) donating commodities; and (d) accounting for loans and commodities.

Warehouse examination.—This activity provides for the examination of warehouses licensed under the U.S. Warehouse Act and non-licensed warehouses storing CCC-owned or pledged commodities. ASCS examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the U.S. Warehouse Act and any CCC storage agreements.

Automated data processing.—ASCS is continuing to implement the major new ADP and communications system in support of CCC operations which began nearly four years ago. Tests were conducted using prototype ADP equipment in county offices. A cost benefit analysis was completed showing significant savings and increased productivity from using automated equipment. All offices in three States were equipped and the operational concepts and implementation plans were validated. Nationwide automation of State and county offices is currently underway and equipment installation will be completed by September 1986. This effort is an integral part of a broader Information Resources Management Plan. Another major facet of the plan is the establishment of a joint ASCS-FAS data base, which includes information on local production of, and foreign demand for, agricultural commodities. Equipment purchases for these new systems will represent capital investment under the statutory authority of the Commodity Credit Corporation Charter Act.

The fiscal year 1987 budget for salaries and expenses reflects the impact of the 1985 Farm Bill, including a conservation reserve program authorized by that legislation, and the impact of zero funding for regular ASCS conservation programs. The budget also includes for fiscal year 1987 the establishment of service fees to partly support administrative funding for ASCS. Fees would be tied to functions performed in county offices that result in direct producer benefits such as loans and payments. The administrative impact of the 1985 Farm

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#### General and special funds-Continued

SALARIES AND EXPENSES—Continued (INCLUDING TRANSFERS OF FUNDS)—Continued

Bill on ASCS FY 1986 operations is covered by a supplemental request in Part II of the Budget.

Object Classification (in thousands of dollars)

Identifica	ation code 12-3300-0-1-351	1985 actual	1986 est.	1987 est.
	Personnel compensation:		_	
11.1	Full-time permanent	73,420	74,524	72,419
11.3	Other than full-time permanent	6,590	8,136	6,699
11.5	Other personnel compensation	2,174	1,293	1,293
11.9	Total personnel compensation	82,184	83,953	80,411
12.1	Personnel benefits: Civilian	10,502	11,106	10,622
13.0	Benefits for former personnel	831	971	2,153
21.0	Travel and transportation of persons	4,276	4,865	4,933
22.0	Transportation of things	656	554	602
23.1	Standard level user charges	181	31	8282
23.3	Communications, utilities, and miscellane-			
	ous charges	11,387	17,960	20,559
24.0	Printing and reproduction	2,705	3,388	3,431
25.0	Other services	13,627	16,500	18,170
26.0	Supplies and materials	3,802	3,881	4,113
31.0	Equipment	468	906	871
41.0	Grants, subsidies, and contributions	316,622	322,222	363,209
42.0	Insurance claims and indemnities	1,762	33	33
43.0	Interest and dividends	3	2	2
99.9	Total obligations	449,006	466,372	509,191
	Personnel Sum	mary		
	number of full-time permanent positions	2,424	2,476	2,379
Full	-time equivalent employment	2,837	2,884	2,703
	-time equivalent of overtime and holiday	59	37	37
	Reduction Pursuant to P	ublic Law	99-177	
	Program and Financing (in t			
Identifica	ation code 12-3300-6-1-351	1985 actual	1986 esl.	1987 est.
	Program by activities:		10.700	

Identificat	ion code $12-3300-6-1-351$	1985 actual	1986 est.	1987 est.
	Program by activities: Total obligations		<b>—18,708</b>	
F	inancing:			
11.00			17,235	
25.00	Reduction in new spending authority (off- setting collections)		<b>—1,473</b>	
40.00	Budget authority (appropriation)		-1,473	
R	elation of obligations to outlays:			-
71.00	Obligations incurred, net		-1,473	•••••
90.00	Outlays		-1,473	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### RURAL CLEAN WATER PROGRAM\*

\*See Part II for additional information.

Program and Financing (In thousands of dollars)

Idenlificat	ion code 12-3337-0-1-304	1985 actual	1986 esl.	1987 esl.
10.00	rogram by activities: Total obligations (object class 41.0)	1,855	10,635	
	inancing: Unobligated balance available, start of year Unobligated balance available, end of year	-18,490 16,635	16,635 6,000	6,000 6,000
39.00	Budget authority			

R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,855	10,635	
72.40	Obligated balance, start of year	33,478	28,673	36,308
74.40	Obligated balance, end of year	<b>— 28,673</b>	- 30,308	22,308
90.00	Outlove	C CC0	0.000	9,000
90.00	Outlays	6,660	9,000	8,000

This experimental Rural Clean Water Program (RCWP), authorized by the Appropriation Acts of 1980 (Public Law 96-108) and 1981 (Public Law 96-528), is a cooperative endeavor among farmers, various USDA agencies and other organizations to develop and test means of controlling agricultural nonpoint source water pollution in rural areas.

Recommended project areas were developed by local and State committees and approved by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency. Full funding has been provided for all approved projects.

#### [AGRICULTURAL CONSERVATION PROGRAM]\*

\*See Part II for additional information.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dellars)

	Program and Financing (III	thousands of	dollars)	
Identifical	ion code 12-3315-0-1-302	1985 actual	1986 est.	1987 esl.
Р	rogram by activities:			
00.01	Cost-sharing assistance and technical as-			
	sistance to farmers	190,325	225,597	
00.02	Technical assistance	17		
10.00	Total obligations	190,342	225,597	
F	inancing:			
17.00	Recovery of prior year obligations	<b>-41</b>		
21.40	Unobligated balance available, start of year	-37,080	-36,737	
24.40	Unobligated balance available, end of year	36,737		
25.00	Unobligated balance lapsing	41		
39.00	Budget authority	190,000	188,860	
В	ludget authority:			
40.00	Appropriation	190,000	190,000	***************************************
40.00	Reduction pursuant to P.L. 99-190		-1,140	
43.00	Appropriation (adjusted)	190,000	188,860	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	190,342	225,597	
72.40	Obligated balance, start of year	158,143	166,688	186,28
74.40	Obligated balance, end of year	<b>— 166,688</b>	-186,285	-62,28
78.00	Adjustments in unexpired accounts			
90.00	Outlays	181,757	206,000	124,00

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	190.000	188.860	
Outlays	181,757	206,000	124.000
Reduction pursuant to P.L. 99–177:	101,707	200,000	12.,000
Budget authority		-8.121	
Outlays		-2.623	-4.548
Rescission proposal:		-,	,,,,,,
Budget authority		-140,839	
Outlays		43,377	- 80,452
Total:			
Budget authority	190,000	39,900	•••••

The 1986 program level of \$39,900,000 is expected to serve 2.1 million acres. Practices identified specifically to abate soil erosion are expected to prevent approximately 9.6 million tons of erosion.

The fiscal year 1987 Budget proposes to terminate this program effective February 1, 1986.

Object Classification	(in	thousands	of	dollars)	
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Identifica	dentification code 12-3315-0-1-302		1986 est.	1987 est.
	AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
41.0	Grants, subsidies, and contributions	190,325	225,597	
	ALLOCATION TO FOREST SERVICE			
21.0	Travel and transportation of persons	7		
22.0 25.0	Transportation of things	10 55		
41.0	Grants, subsidies, and contributions	55		
99.0	Subtotal obligations, Forest Service	17		
99.9	Total obigations	190,342	225,597	

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3315-6-1-302	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>-8,121</b>	
40.00	inancing: Budget authority (appropriation)		8,121	
R	elation of obligations to outlays:			
11				
71.00	Obligations incurred, net		8,121	
71.00 72.40	Obligations incurred, net			- 5,498
71.00	Obligations incurred, net		-,	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### [WATER BANK PROGRAM]\*

\*See Part II for additional information.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3320-0-1-302	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations (object class 41.0)	8,789	9,705	
21.40 24.40	inancing: Unobligated balance available, start of year Unobligated balance available, end of year	947 958	<b>-958</b>	
39.00	Budget authority	8,800	8,747	
40.00 40.00	udget authority: AppropriationReduction pursuant to P.L. 99–190	8,800	8,800 — 53	
43.00	Appropriation (adjusted)	8,800	8,747	
71.00	elation of obligations to outlays: Obligations incurred, net	8,789	9,705	

	Obligated balance, start of year	41,139	40,092	39,797
	Obligated balance, end of year	—40,092	39,797	— 31,497
90.00	Outlays	9,836	10,000	8,300

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	8,800	8,747	
Outlays	9,836	10,000	8,300
Reduction pursuant to P.L. 99-177:			
Budget authority		376	
Outlays		<b>- 56</b>	<b>— 38</b>
Rescission proposal:			
Budget authority		-8.371	
Outlays		-1.044	<b>-862</b>
Total:			
Budget authority	8,800		
Outlays	9,836	8,900	7,400

The 1987 Budget proposes to terminate this program effective February 1, 1986.

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-3320-6-1-302	1985 actual	1986 est.	1987 est.
	Program by activities: Total obligations		<b>—376</b>	
40.00	inancing: Budget authority (appropriation)		_376	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>— 376</b>	
72.40	Obligated balance, start of year			- 320
74.40	Obligated balance, end of year		320	282
90.00	Outlays		- 56	-38

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

## EMERGENCY CONSERVATION PROGRAM

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3316-0-1-453	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations (object class 41.0)	5,436	10,114	
F	inancing:			
21.40	Unobligated balance available, start of year	-15,550	-10,114	
24.40	Unobligated balance available, end of year	10,114		
40.00	Budget authority (appropriation)			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	5,436	10,114	
72.40	Obligated balance, start of year	8,175	2,196	2,310
74.40	Obligated balance, end of year	<u>- 2,196</u>		
90.00	Outlays	11,415	10,000	2,31

This program was authorized by the Agricultural Credit Act of 1978 (16 U.S.C. 2201-05). It provides funds for sharing the cost of emergency measures to deal with cases of severe damage to farms and rangelands resulting from natural disasters.

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# General and special funds-Continued

EMERGENCY CONSERVATION PROGRAM-Continued

Under the 1985 program, cost-sharing assistance was provided in 39 States to treat farmlands damaged by floods, tornadoes, hurricanes, and drought. The 1986 program is expected to rehabilitate approximately 220,000 acres of farmland damaged by natural disaster.

#### [DAIRY INDEMNITY PROGRAM]\*

\*See Part II for additional information

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-3314-0-1-351	1985 actual	1986 est.	1987 est.
P	Program by activities:			
00.01	Indemnity payments to dairy farmers	43	99	
10.00	Total obligations (object class 41.0).	43	99	
F	inancing:			
25.00	Unobligated balance lapsing	57		
39.00	Budget authority	100	99	
В	udget authority:			
40.00	Appropriation	100	100	
40.00	Reduction pursuant to P.L. 99-190			
43.00	Appropriation (adjusted)	100	99	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	43	99	
72.40	Obligated balance, start of year	7	17	
74.40	Obligated balance, end of year			
90.00	Outlays	33	116	

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of doilars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	100	99	
Outlays	33	116	
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>—4</b>	
Outlays		4	
Rescission proposal:			
Budget authority		<b> 95</b>	
Outlays		<b>-95</b>	
·			
Total:			
Budget authority	100		••••
Outlays	33	17	

Under this program indemnification payments are made to dairy farmers and manufacturers of dairy products.

The Dairy Indemnity Program was authorized under 78 Stat. 508 in 1964, and has been extended through September 30, 1990, by the Food Security Act of 1985 (Public Law 99-198). Payments are made to farmers who are directed to remove their milk from commercial markets because the milk contains residues of chemicals which have been registered and approved for use by the Federal Government, of other chemicals, of nuclear radiation, or of nuclear fallout. The authority also provides that indemnification may be paid for cows producing such milk.

The 1987 budget proposes to terminate this program.

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	ion code 12-3314-6-1-351	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		_4	
40.00	inancing: Budget authority (appropriation)		_4	
71.00	elation of obligations to outlays: Obligations incurred, net		_4	
90.00	Outlays		_4	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### [Forestry Incentives Program]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

ldentificat	tion code 12-3336-0-1-302	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01	Cost-share assistance and technical assist-	12,776	13,273	
00.02	Technical assistance (allocation to Forest Service)	13		
10.00	Total obligations	12,789	13,273	
F	inancing:			
21.40 24.40	Unobligated balance available, start of year Unobligated balance available, end of year	—1,137 848	-848	
39.00	Budget authority	12,500	12,425	
R	udget authority:			
40.00 40.00	AppropriationReduction pursuant to P.L. 99–190	12,500	12,500 — 75	
43.00	Appropriation (adjusted)	12,500	12,425	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	12,789	13,273	
72.40	Obligated balance, start of year	16,236	16,547	16,220
74.40	Obligated balance, end of year	-16,547	<b>—16,220</b>	<b>— 8,420</b>
90.00	Outlays	12,478	13,600	7,800

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of do	ltars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	12,500	12,425	
Outlays	12,478	13,600	7,800
Reduction pursuant to P.L. 99–177:			
Budget authority		<b>— 534</b>	
Outlays		-206	-176
Total:	***************************************		
Budget authority	12,500	11,891	***************************************
Outlays	12,478	13,394	7,624

This program was authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101). The objectives of the program are to bring private nonindustrial forest land under intensified management, to increase timber production, to assure adequate supplies of timber products, and to enhance other forest resources.

The Forestry Incentives Program shares up to 65 percent of the cost of tree planting and timberstand improvement. The percentage cost-shared depends on the rate set in a particular State and county by the Agricultural Stabilization and Conservation (ASC) Committee, after consulting with the State forester. The program is available in designated counties based on a Forest Service survey of total eligible private timberland available for production of timber products. The program is administered by ASCS with technical assistance from Forest Service.

Under the 1986 program, cost-sharing will be provided to farmers for planting trees on 170,600 acres and improving the timberstand on 43,600 acres of forest.

The fiscal year 1987 Budget proposes to terminate this program effective February 1, 1986.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-3336-0-1-302	1985 actual	1986 est.	1987 est.
	AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
41.0	Grants, subsidies, and contributions	12,776	13,273	***************************************
	ALLOCATION TO THE FOREST SERVICE			
23.3	Communications, utilities, and miscellane- ous charges	9	*************	
24.0	Printing and reproduction	3		
41.0	Grants, subsidies, and contributions	1		
99.0	Subtotal obligations, Forest Service	13		
99.9	Total obligations	12,789	13,273	

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

	riogram and rimaneing (in mousaids of donars)					
Identificat	ion code 12-3336-6-1-302	1985 actual	1986 est.	1987 est.		
P 10.00	rogram by activities: Total obligations		534			
40.00	inancing: Budget authority (appropriation)		<b>-534</b>			
R	elation of obligations to outlays:					
71.00	Obligations incurred, net		<b>— 534</b>			
72.40	Obligated balance, start of year		***************************************	<b>—328</b>		
74.40	Obligated balance, end of year		328	152		
90.00	Outlays		<b>—206</b>	176		

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided

# FEDERAL CROP INSURANCE CORPORATION

#### Federal Funds

General and special funds:

#### ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), \$239,885,000: Provided, That not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-2707-0-1-351	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01	Underwriting, actuarial, and program de-			
	velopment	26,029	24,931	14,327
00.02	Reinsured companies	103,237	136,892	185,868
00.03	Agency sales and service agreements and			
	loss adjustment contracts	49,527	33,896	16,322
00.04	Compliance	1,278	4,079	4,090
00.05	Program management and administrative			
	support	19,537	19,228	19,278
10.00	Total obligations	199,608	219,026	239,885
F	inancing:			
25.00	Unobligated balance lapsing	894		
39.00	Budget authority	200,502	219,026	239,885
В	udget authority:			
40.00	Appropriation	200,502	220,348	239,885
40.00	Reduction pursuant to P.L. 99-190		-1,322	
43.00	Appropriation (adjusted)	200,502	219,026	239,885
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	199,608	219,026	239,885
72.40	Obligated balance, start of year	99,606	95,523	95,523
74.40	Obligated balance, end of year	<b>— 95,523</b>	<b>- 95,523</b>	95,523
90.00	Outlays	203,691	219,026	239,885

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

<u></u>			
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	200.502	219.026	239.885
Outlays	203,691	219,026	239,885
Reduction pursuant to P.L. 99–177:	200,001	210,020	200,000
Budget authority		-9.418	
*		- 5,503	3.915
Proposed for later transmittal under proposed legis-	•••••	- 3,303	5,315
lation:			
744.011			114,859
Budget authority	•	•••••	•
Outlays			<u>—114,859</u>
Total:			
Budget authority	200,502	209.608	125.026
Outlays	203,691	213.523	121,111
Outlays	203,031	213,323	121,111

This appropriation finances the administrative and operating expenses of the Corporation to provide funds to establish and maintain rates and coverages for 19,200 county programs in over 3,000 counties and to continue development of sales policies. Crop insurance in force is estimated to increase from \$8.4 billion in crop year 1986 to \$9.8 billion in crop year 1987, and the estimated insured acres are expected to increase from 58.6 million in crop year 1986 to 68.6 million in crop year 1987.

General and special funds-Continued

Administrative and Operating Expenses—Continued

The Corporation's long-term objective is to oversee the private delivery of crop insurance on an actuarially sound basis, develop actuarial rates for use by private insurance companies, and perform compliance activities.

For fiscal year 1987, the appropriation for administrative and operating expenses will enable the Corporation to provide for growth in the expanded crop insurance program to an estimated 25 percent farmers' participation, bringing the program closer to attaining its long-term objective. The 1987 appropriation is the first year of a 5-year phase-out of all Federal operating subsidies. The objective is to fully privatize the delivery of crop insurance by 1991.

The major portion of administrative and operating expenses is to support delivery systems which rely heavily on the private sector as provided by the Federal Crop Insurance Act of 1980 under section 507(c).

The delivery systems are:

Reinsured companies which enable insurance companies to provide the insurance marketing, distribution, servicing, training, quality control, and loss adjustment functions. The companies also share with Federal Crop Insurance Corporation, to a limited extent, in both profits and losses. It is estimated that reinsured companies will handle over 98 percent of the total premium during crop year 1987. For crop year 1986, approximately 50 companies or groups will be writing crop insurance with reinsurance from FCIC; and

Agency sales and service agreement, also known as the "master marketing agreement." Under this type of agreement, private insurance companies and associations are offered the opportunity to contract with FCIC to provide insurance sales and services. They are compensated on a commission basis. It is estimated that these agreements will account for less than 2 percent of the total premium for crop year 1987.

In addition, in areas where an adequate private sales and service force is not available, FCIC may ask other USDA agencies to sell and service all-risk crop insurance through existing county offices.

As the private sector becomes more involved in the all-risk crop insurance program, it is expected that the companies will be able to "risk" more of their funds thus reducing the cost to the Government and at the same time reach the Corporation's goal of having all-risk crop insurance available to as many farm producers as possible.

The 1987 estimate includes savings from consolidation of administrative support services as part of 1987 budget management reforms.

Object Classification (in thousands of dollars)

Identifica	tion code 12-2707-0-1-351	1985 actual	1986 est.	1987 est.
F	Personnel compensation:			
11.1	Full-time permanent	18,819	19,760	19,760
11.3	Other than full-time permanent	9,687	7,535	5,251
11.5	Other personnel compensation	728	697	639
11.9	Total personnel compensation	29,234	27,992	25,650
12.1	Personnel benefits: Civilian	3,705	3,730	3,411
13.0	Benefits for former personnel	591	1,000	500

21.0	Travel and transportation of persons	4,610	6,050	5,516
22.0	Transportation of things	280	500	456
23.2	Rental payments to others	818	800	800
23.3	Communications, utilities, and miscellane-			
	ous charges	2,414	2,500	2,209
24.0	Printing and reproduction	1,029	1,320	1,204
25.0	Other services	155,528	173,205	198,380
26.0	Supplies and materials	514	825	752
31.0	Equipment	761	1,100	1,003
32.0	Lands and structures	1		
42.0	Insurance claims and indemnities	14	3	3
43.0	Interest and dividends	109	1	1
99.9	Total obligations	199,608	219,026	239,885
	Personnel Sumn	nary		
Total n	umber of full-time permanent positions	768	768	768
	ompensable workyears:	, 55	,	, 00
	time equivalent employment	1.196	1,100	1,000
	time equivalent of overtime and holiday	,	,	-,
	ours	12	30	25

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	tion code 12-2707-6-1-351	1985 actual	1986 est.	1987 est.
P 10.00	Program by activities: Total obligations		<b> 9,418</b>	
40.00	inancing: Budget authority (appropriation)		<b>9,418</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b> 9,418</b>	
72.40	Obligated balance, start of year			3,915
74.40	Obligated balance, end of year		3,915	
90.00	Outlays		5,503	-3,915

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

Administrative and Operating Expenses (Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

ldentificat	ion code 12-2707-2-1-351	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Underwriting, actuarial, and program de-			
	velopment			6,860
00.02	Reinsured companies			- 88,995
00.03	Agency sales and service agreements and			
	loss adjustment contracts			<b>—</b> 7,815
00.04	Compliance			1,959
00.05	Program management and administrative			
	support			<b></b> 9,230
10.00	Total obligations (object class 25.0).			114,859
F	inancing:			
40.00	Budget authority (appropriation)			114,859
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			114,859
90.00	Outlays			-114.859

Legislation will be proposed to increase the producer's share of premium cost in order to phase out Federal payment of administrative expenses and premium subsidy over a 5-year period beginning in 1987.

Object Classification (in thousands of dollars)				
Identifica	tion code 12-2707-2-1-351	1985 actual	1986 est.	1987 est.
F	Personnel compensation:			
11.1	Full-time permanent			<b>-4,560</b>
11.3	Other than full-time permanent			-4,451
11.5	Other personnel compensation			<b>-639</b>
11.9	Total personnel compensation			<b>-9,650</b>
12.1	Personnel benefits: civilian			<b>— 1,283</b>
13.0	Benefits for former personnel			<b>—500</b>
21.0	Travel and transportation of persons			<b>— 2,297</b>
22.0	Transportation of things			<b>— 215</b>
23.2 23.3	Rental payments to others			<b>— 200</b>
20.0	ous charges			-1,200
24.0	Printing and reproduction			<b>— 507</b>
25.0	Other services			<b> 98,214</b>
26.0	Supplies and materials			<b>— 350</b>
31.0	Equipment		***************************************	<b>— 439</b>
42.0	Insurance claims and indemnities			-3
43.0	Interest and dividends			
99.9	Total obligations			114,859
	Personnel Sum	mary		
	umber of full-time permanent positions			294
Full-	ompensable workyears: time equivalent employment			<b>—200</b>
	time equivalent of overtime and holiday ours			<b>—</b> 9

#### SUBSCRIPTION TO CAPITAL STOCK

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-2708-0-1-351	1985 actual	1986 est.	1987 est.
39.00	inancing: Budget authority			
40.00 41.00	udget authority: AppropriationTransferred to other accounts	50,000 — 50,000		
43.00	Appropriation (adjusted)			
71.00	elation of obligations to outlays: Obligations incurred, net			
90.00	Outlays			

The Federal Crop Insurance Act of 1980 (Public Law 96-365) provides for capitalization of the Corporation of \$500 million. No funds are requested for 1987.

# Public enterprise funds:

#### FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended, \$135,743,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identification code 12-4085-0-3-351	1985 actual	1986 est.	1987 est.
Program by activities: 00.01 Indemnities	258,862	177,000	67,540
	409	21,691	33,800
	19,737	6,969	1,129

01.01	Reinsurance losses, net	376,992	470,575	382,730
10.00	Total obligations	656,000	676,235	485,199
F	inancing:			
14.00	Offsetting collections from: Non-Federal			
14.00	courses	242 507	<b>— 332,973</b>	- 351,199
21.98	sources	— 342 <b>,</b> 507	- 332,973	- 331,133
21.98		174.050	100 700	174 000
20.00	year: Fund balance	<i>—</i> 174,253	-133,760	<b>—</b> 174,688
22.98	Unobligated balance transferred, net: Fund			
	balance		250,000	
24.98	Unobligated balance available, end of			
	year:Fund balance	133,760	174,688	151,431
31.00	Redemption of debt			25,000
39.00	Budget authority	273,000	134,190	135,743
D	udget authority			
	udget authority:	110.000	105 000	105 740
40.00	Appropriation (premium subsidy)	110,000	135,000	135,743
40.00	Reduction pursuant to P.L. 99–190		810	
42.00	Transferred from other accounts	50,000		
43.00	Annonistics (editorial)	100,000	124 100	105 740
	Appropriation (adjusted)	160,000	134,190	135,743
47.00	Authority to borrow	113,000		••••••
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	313,493	343,262	134,000
72.10	Pageinables in expense of obligations start	313,433	343,202	134,000
72.10	Receivables in excess of obligations, start	110 000	100 450	100 450
74.10	of year	—112 <b>,</b> 026	-100,459	-100,459
74.10	Receivables in excess of obligations, end of	100 450	100 450	100 450
	year	100,459	100,459	100,459
90.00	Outlays	301.926	343,262	134.000
55.00	0400,0	001,020	0.70,202	134,000

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars] 1985 actual 1986 estimate 1987 estimate Enacted/requested: Budget authority ... 273,000 134,190 135,743 134,000 301.926 343,262 Outlavs... Proposed for later transmittal under proposed legis-Budget authority ..... -20,696-18,953Outlavs ..... Budget authority ..... 273,000 134,190 115.047 301,926 343,262 115,047 Outlays.....

The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 1501-1520), to carry out the provisions of the Federal Crop Insurance Act, as amended. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance, and to provide the means for the research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The crop insurance programs are planned, developed, and monitored by the FCIC headquarters office located in Washington, DC and its national operations office located in Kansas City, MO. The program is administered in the field through 18 field operations offices and 11 field actuarial offices. Sales and servicing of contracts at the county level are performed primarily by agents operating under agency sales and service agree-

Public enterprise funds-Continued

FEDERAL CROP INSURANCE CORPORATION FUND-Continued

ments (master marketing agreements) and agents of reinsured companies. In those areas where these delivery systems are not in place, other USDA agencies may be used to market and service the program. The adjustment of losses is performed by FCIC employees, adjusters under contract with FCIC, and reinsured companies under contract with FCIC. Also, as required, ASCS will perform some loss adjustment support on a reimbursable basis for the Corporation. Detailed administrative accounting is performed by the National Finance Center in New Orleans, LA, and program accounting and statistical functions, as well as the underwriting and actuarial analysis work, are performed in Kansas City, MO.

Budget program.—The program for 1987 (crop year 1986) will provide crop insurance protection to farmers amounting to approximately \$8.4 billion on the following commodities: Almonds, apples, barley, beans, citrus, citrus trees, combined crop, corn, cotton, ELS cotton, cranberries, flax, forage production, forage seeding, grain sorghum, canning peaches, grapes, table grapes, hybrid seeding, oats, peaches, peanuts, peas (dry and green), peppers, popcorn, potatoes, prevented planting, prunes, raisins, rice, rye, soybeans, sugar beets, sugarcane, sunflowers, sweet corn, sweet corn (fresh), tobacco, tomatoes (fresh), tomatoes (processing), walnuts, and wheat. The program for 1987 is the first year of a fiveyear phase-out of all Federal premium subsidies. The objective is to fully privatize the delivery of crop insurance by 1991.

The 1986 appropriation provides sufficient funding for crop year 1986 to insure 58.6 million acres with an estimated \$500.3 million in total premium income, including \$134.2 million in premium subsidy.

The following table compares the scope of the insurance operations planned for 1986 and 1987, as compared with 1985. Amounts in the 1985 column are actual, and pertain to the 1984 crop year. The 1986 column pertains to the 1985 crop year, and reflects levels of participation that can be achieved with the 1986 appropriations. The 1987 column pertains to the 1986 crop year.

	1985 fiscal year (1984 crop year)	1986 fiscal year (1985 crop year)	1987 fiscal year (1986 crop year)
	actual	estimate	estimate
Number of States	49	49	49
Number of counties	3,010	3,012	3,012
Insurance in force (thousands)	\$6,656,133	\$7,104,000	\$8,379,000
Insured acreage (thousands)	42,592	48,400	58,600
Farmers premium (thousands) 1	\$337,932	\$336,965	\$376,266
Premium subsidy (thousands) 1	\$98,805	\$103,035	\$124,034
Total premium (thousands) 1	\$436,737	\$440,000	\$500,300
Indemnities (thousands) 1	\$635,854	\$660,000	\$450,270
Loss ratio	1.46	1.50	.90

<sup>1</sup> Includes amounts that will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance loss.

Financing.—The Corporation is authorized under the Federal Crop Insurance Act, as amended, to use funds from the issuance of capital stock which provides working capital for the Corporation.

Receipts which are for deposit to this fund come mainly from premiums paid by farmers. The principal payments from this fund are for indemnities to insured farmers, the direct cost of adjusting crop losses and agents' commissions. However, an appropriation will be requested in subsequent years for payments made from premium income used for loss adjustment costs and/or agents' commissions as provided by section 516(a) of the Federal Crop Insurance Act, as amended.

Premium subsidies are authorized by section 508(b) of the Federal Crop Insurance Act, as amended. The purpose of the subsidy is to encourage the broadest possible participation of farm producers in the crop insurance program. Subsidies are paid by the Corporation based upon 30 percent of each producer's premium (reduced, where applicable, for hail and fire exclusion or State agency subsidy) on any coverage, under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised average yield, as adjusted.

In fiscal year 1985, the Corporation borrowed \$113 million from Treasury in order to pay heavy crop years 1984 and 1985 losses.

#### PREMIUM AND SUBSIDY

fin thousands of dollars1 1986 fiscal year (1985 crop year) estimate 1987 fiscal year (1986 crop year) estimate 1985 fiscal Premiums: Producer premium ...... 337,932 336.965 376,266 (Government operations)..... (137, 159)(90,368)(56,440)(319.826)(Reinsurance operations) 1 ..... (200,773)(246.597)98.805 103,035 124,034 Amount of subsidies (Government operations)..... (38.903) (27.632)(18,605)(59,902)(75,403)(105,429)(Reinsurance operations) 1 ...... 440.000 500,300 Total premiums ..... 436,737 660,000 450,270 Indemnities ..... 635,854 (Government operations) ..... (258,862)(177,000)(67,540)(Reinsurance operations) 1..... (376,992)(483,000)(382,730)

<sup>1</sup> These amounts will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance losses.

The annual appropriation for the administrative and operating expenses of the Corporation is presented earlier in the budget.

Operating results and financial condition.—As of September 30, 1985, the Corporation reflected a deficit of \$937.9 million. This compares with a deficit of \$624.4 million at September 30, 1984.

For crop years 1948 through 1984, indemnities (\$3,091.4 million) exceeded premium income (\$2,466.6 million) by \$624.8 million; the loss ratio for the period was 1.25. Indemnity costs exceeded premiums in 19 of the 37 years.

The following table summarizes the insurance operations by commodities for 1985, 1986, and 1987:

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS, BY COMMODITIES

	[In thousands of dollars]		
	1985 fiscal year (1984 crop year) actual	1986 fiscal year (1985 crop year) estimate	1987 fiscal year (1986 crop year) estimate
Almonds	440	<b>—270</b>	-32
Apples	<b>— 184</b>	- 328	_43
Barley	-6,000	-2,651	<b>—372</b>
Beans	<b>— 205</b>	-458	<b>— 58</b>
Citrus	<b>-4,918</b>	-1,568	<b>—254</b>
Citrus trees	12,023	<b>-291</b>	_49
Combined crop	269	<b>—200</b>	_27

Corn	<b>-6,775</b>	-18,195	-2.312
Cotton	-1,067	-3.188	457
Flax	-10	— 102	-16
Forage production	3	-102 -2	
Forage production	_5 _5	_2 _2	***************************************
Forage seeding	_	_	210
Grain sorghum	<b>— 8,707</b>	<b>- 2,349</b>	-312
Grapes	-197	-212	<b> 25</b>
Grapes, table	-66	<b>—77</b>	_9
Hybrid seeding	<b>-481</b>	-195	27
Oats	213	-366	<b>—</b> 53
Peaches	-310	-330	<b>- 58</b>
Peanuts	-538	<b>-4,431</b>	-501
Peas	<b>-698</b>	-150	-21
Peppers	-98	-116	<b>—21</b>
Popcorn	<b>— 258</b>	56	_7
Potatoes	-2,974	- 606	—73
Prevented planting	2	-2	
Raisins	875	<b>—723</b>	—106
Rice	-431	-304	- 35
Rye	9	-10	-1
Soybeans	-48.613	-22.932	-2,761
Sugar beets	62	_330	_ 44
Sugarcane	31	-112	$-1\overline{2}$
Sunflowers	-1.735	-1.114	-161
Sweet corn	33	44	-6
Tobacco	4,623	-6.955	<b>—788</b>
Tomatoes	-4,090		- 54
Tomatoes, fresh	_4,030 _142	_ 50 _ 50	6
Walnuts	18	- 30 - 11	_0 _1
	-27.756	— 17,564	-2.398
Wheat	-27,730	-17,304	-2,330
Premiums over indemnities	-121,703	-86,632	-11.100
(Premium subsidy expenses)	(38,903)	(27.632)	(18,605)
Interest expense	— 409	-21.619	-33.800
Other income or expense, net (—)	-15,162	-7.041	-1.129
Reinsurance underwriting gain	- 13,102	- 7,041	-1,123
(+) of loss (-)	-116.317	<b>— 152,567</b>	17,458
Premium subsidy expense—reinsur-	-110,317	- 132,307	17,430
ance	<b>— 59,902</b>	<b>—75,403</b>	—105,429
ance	- 33,302	- 73,403	- 103,423
Net income or loss ( — )	-313,493	<b>— 343,262</b>	-134,000
. ,			

# Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Revenue	342,507	332,973	351,199
Expense	656,000	676,235	485,199
Net income or loss ( — ) for the year	<b>— 313,493</b>	<b>— 343,262</b>	—134,000

# Financial Condition (in thousands of dollars)

	1984 actual	1985 actual	1986 est.	1987 est.
Assets:				
Selected assets:				
Treasury balance Accounts receivable,	62,227	33,301	75,039	51,782
net	272.266	172,217	232,701	244,481
Deferred charges	468,665	588,597	451,399	527,172
Total assets	803,158	794,115	759,138	823,435
Liabilities: Selected liabilities:				
Accounts payable and accrued li-				
abilities	229.232	310.585	207,300	236,800
Deferred credits Provisions for surety	454,372	349,695	376,266	434,319
losses	75	75	75	75
Total liabilities	683,679	660,355	583,641	671,194

vernment equity:				
Selected equities: Non-interest-bearing				
capital	450,000	500,000	500,000	500,000
Paid-in capital	37,978	37,978	37,978	37,978
Appropriation				
(Treasury Bor-		110 000	112 000	00.000
	••••••	113,000	113,000	88,000
Appropriation (pre- mium subsidy)	258,148	368,148	502,338	626,372
Appropriation	200,140	300,140	302,330	020,072
(agents' com-				
missions)	47,909	47,909	47,909	47,909
Appropriation (loss			4 000	
adjustment)	4,632	4,632	4,632	4,632
Transfer from Com- modity Credit				
Corp			250,000	250,000
Appropriation (inter-			200,000	,
est on Treasury				
				11,709
Retained earnings	<b>-624,414</b>	937,907	-1,281,169	<u>-1,415,169</u>
Total Government				
equity	174,253	<sup>1</sup> 133,760	1174,688	<sup>1</sup> 151,431
on-interest-bearing capital Start of year Capital stock issuance		450,000 50,000	500,000	500,000
End of year		500,000	500,000	500,000
•				
d-in capital: Start of yea nsactions:		348,667	571,667	955,857
Appropriation (premium		110,000	134,190	124,034
Appropriation (Treasury Transfer from Commodi		113,000		
poration			250,000	
Redemption of Debt (Tr				25,000
Appropriation (interest				
borrowing)				11,709
End of year		571,667	955,857	1,066,600
Total capital			1,455,857	1,566,600
TOTAL CAPITAL		1,071,667	1,400,007	
		1,071,667 — 624,414	- 937,907	
tained earnings: Start of ansactions:	year	<b>—624,414</b>	<b>—</b> 937,907	-1,281,169
tained earnings: Start of ansactions: Net income or loss ( —	year) for the year	-624,414 -313,493	- 937,907 - 343,262	-1,281,169 -134,000
etained earnings: Start of ansactions:	year) for the year	<b>—624,414</b>	— 937,907 — 343,262	-1,281,169 -134,000
etained earnings: Start of ransactions: Net income or loss ( —	) for the year	-624,414 -313,493	- 937,907 - 343,262	-1,281,169 -134,000
etained earnings: Start of ransactions: Net income or loss ( — Adjustments End of year	year) for the year	-624,414 -313,493	— 937,907 — 343,262	- 1,281,169 134,000 1,415,169
Retained earnings: Start of Fransactions: Net income or loss (— Adjustments	year) for the year	-624,414 -313,493	— 937,907 — 343,262	-1,281,163 -134,000

¹ Reflects long-term notes payable to Treasury for borrowing. Includes \$113 million Treasury borrowing in F.Y. 1985, and \$250 million CCC borrowing in F.Y. 1986, which have been added to the unobligated balances.
² Includes \$113 million Treasury borrowing in F.Y. 1985, and \$250 million CCC borrowing in F.Y. 1986, which have been added to the unobligated balances.

#### Object Classification (in thousands of dollars)

	·			
Identification code 12-4085-0-3-351		1985 actual	1986 est.	1987 est.
Ir	nsurance claims and indemnities:			
42.0	Government operations	258,862	177,000	67,540
42.0	Reinsurance	376,992	470,575	382,730
43.0	Interest and dividends	409	11,300	33,800
92.0	Undistributed (provision for doubtful accounts and adjustments of prior year			
	expenses)	19,737	17,360	1,129
99.9	Total obligations	656,000	676,235	485,199

#### Public enterprise funds-Continued

I-E36

# FEDERAL CROP INSURANCE CORPORATION FUND (Proposed for later transmittal, proposed legislation)

#### Program and Financing (in thousands of dollars)

Identifica	tion code 12-4085-2-3-351	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01	Underwriting, actuarial, and program de-			
	velopment			6,860
00.02	Reinsured companies			88,99
00.03	Agency sales and service agreements and			
	loss adjustment contracts			7,81
00.04	Compliance			1,959
00.05	Program management and administrative			
	support			9,292
10.00	Total obligations			114,92
	inancing:			
14.00	Offsetting collections from: Non-Federal			
14.00	SOURCES			<b>— 140.56</b> 7
24.98	Unobligated balance available, end of year:	***************************************	***************************************	210,001
L 1.50	Fund balance			4,952
40.00	Budget authority (appropriation-			
	premium subsidy)			<b>— 20,69</b> 6
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			- 25,647
74.10	Receivables in excess of obligations, end of			
	year			6,69
00.00	Outlave			10.05
90.00	Outlays			—18 <b>,</b> 95

Legislation will be proposed to increase the producer's share of premium cost in order to phase out Federal payment of administrative expenses and premium subsidy over a five-year period beginning in 1987.

# Object Classification (in thousands of dollars)

Identifica	tion code 12-4085-2-3-351	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent			4,560
11.3	Other than full-time permanent			4,451
11.5	Other personnel compensation			639
11.9	Total personnel compensation			9,650
12.1	Personnel benefits: civilian			1,283
13.0	Benefits for former personnel			500
21.0	Travel and transportation of persons			2,297
22.0	Transportaton of things			21
23.2	Rental payments to others			200
24.0	Printing and reproduction			50
25.0				98,27
26.0	Supplies and materials		***************************************	350
31.0	Equipment			439
42.0	Insurance claims and indemnities			;
43.0	Interest and dividends			
99.9	Total obligations			114,92
	Personnel Sum	mary		
	number of full-time positions			29
Full	compensable workyears: -time equivalent employmenttime equivalent of overtime and holiday			20
	hours			

#### COMMODITY CREDIT CORPORATION

# Federal Funds

#### General and special funds:

# REIMBURSEMENT FOR NET REALIZED LOSSES

For reimbursement to the Commodity Credit Corporation for net realized losses sustained or anticipated, but not previously reimbursed. such sums as may be necessary are available in this and subsequent years, as authorized by the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12).

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT

#### Public enterprise funds:

Identification code 12-4336-0-3-351

Program by activities: Support and related programs: Operating expenses:

#### COMMODITY CREDIT CORPORATION FUND\*

\*See Part II for additional information.

#### Program and Financing (in thousands of dollars)

1985 actual

1986 est.

1987 est.

00.01	Commodity purchases and related inventory acquisi-	2774 222	2 251 929	1 044 644
00.02	tionsStorage, transportation, and other obligations not	2,774,232	2,351,838	1,944,644
	included above	619,949	851,169	1,261,802
00.03	Producer storage payments.	307,143	611,510	753,471
00.04	Animal and plant disease	00.,1.0	011,010	. 00, 2
	eradication (APHIS)	22,700		
	Direct producer payments:	·		
00.05	Feed grains	3,075,546	6,248,200	6,459,500
00.06	Wheat	2,062,984	2,990,000	2,918,000
00.07	Rice	506,115	863,700	701,000
80.00	Cotton	1,011,178	1,537,286	1,735,596
00.09	Dairy	630,662	250,000	590,000
	Conservation reserve pro- gram:			
00.10	Annual rental payments			271,000
00.11	Cost-share payments		175,000	279,000
00.12	Operating expenseInterest:	354,815	411,714	434,271
00.13	Treasury	2,068,134	1,800,677	2,185,036
00.14	Other	66		
00.91	Total operating ex-			
	penses	13,433,524	18,091,094	19,533,320
	Capital investment:			
01.01	Direct loans: Storage facili-			
	ty	559	26	
01.02	Direct loans: Commodity	10,185,973	16,529,584	10,840,293
01.03	Direct loans: Guarantee			
	claims	184,067	613,873	705,164
01.04	Purchase of administrative			
	equipment	44,611	65,000	9,000
01.05	Export credit sales program (obligations)	72,475		
01.91	Total capital invest-			
01.31	ment	10,487,685	17,208,483	11,554,457
	mon(	=======================================	=======================================	=====
01.92	Total support and re-			
	lated programs	23,921,209	35,299,577	31,087,777

DEP.	ARTMENT OF AGRICULT	UKE				COMMODIT	CREDIT CORPORATIO Federal Fund		I-E37
	Special activities:				72.49	Contract authority		3,459,045	8,529,465
)2.01	Operating expenses: Commodities transferred				72.98	Fund balance: Commodity Credit Corporation	— 340,596	_379,429	-379,42°
	from support program and commodities procured Other operating expenses:	701,575	438,400	394,200	74.47 74.49	Obligated balance, end of year: Authority to borrow Contract authority	1,188,710 3,459,045	2,563,945 — 8,529,465	3,545,110 8.431,07
2.02	Interest	4,386	3,567	3,522	74.98	Fund balance: Commodity			
2.03	Other program and operating expenses	1,508,768	1,488,599	1,260,250	77.00	Credit Corporation Adjustments	379,429 3,388,553	379,429	379,42
2.91	Total special activities	2,214,729	1,930,566	1,657,972	71.00	Special activities: Obligations incurred, net	85,466	258,408	113,57
0.00	Total obligations	26,135,938	37,230,143	32,745,749	72.49	Obligated balance, start of year: Contract authority	134,137	152,053	291,82
F	inancing: Offsetting collections from: Sup-				74.49	Obligated balance, end of year: Contract authority	— 152,053		- 291,82
	port and related programs: Federal funds:				77.00	Adjustments		— 291,826 —————	- 231,0
1.00 1.00	Sales to special activities	- 701,575 - 4,386	438,400 13,958	— 394,200 — 28,522	90.00	Total outlays	17,683,196	20,690,794	16,735,0
1.00	Other revenue	- 3,146	- 13,538 - 2,829	- 28,322 - 2,811	authority u	Contingent liabilities, commitments and other oblintil they result in borrowing from Treasury. Only to actual borrowing.			
4.00	Sales and other proceeds	-1,455,536 -381.060	- 708,109 - 433,024	-721,152 -460,180		SUMMARY OF BUDGET		OUTLAYS	
4.00	Other revenue	-1,320	200			[In thousa	ands of dollars)  1985 actual	1986 estimate	1987 estimati
14.00 14.00	Realization of assets Loans repaid	- 67 - 4,485,901	- 250 - 7,617,153	— 250 — 8,645,655		/requested:			
14.00	Loan collateral forfeited Repayments by importers: Short-term export credit	-1,637,589	<b>-4,051,896</b>	- 5,100,824	Outla Reductio	et authorityys ys on pursuant to P.L. 99–177:	17,683,196	20,690,794	15,655,45 16,735,01
4.00	sales program	<b>— 92,063</b>	-100,109	- 55,520	Outla	et authoritys			<b>— 409,2</b>
	sales program	-856	-2,071	-2,189		ental under existing legislation: et authority		71,598	
4.00 4.00	Export guarantee program Interest revenue Special activities:	—19,487 —31,676	10,504 31,150	— 9,017 — 125,577	Outla Propose	ysd for later transmittal under proposed ion:			
1.00 1.00	Federal funds: Reimbursements received Advance from foreign assist-	<b>—</b> 53,676	-16,600	<b>—</b> 8,700	Budg	et authorityys			-139,78 -139,78
4.00	ance programs Non-Federal sources (62 Stat.	-1,739,000	1,299,158	-1,164,400	Total:	et authority	15.192.013	21,646,804	15,515,66
2.98	1070)	-336,587	<b>— 356,400</b>	<b>— 371,300</b>		ys			16,185,9
2.30	net		250,000			Status of Unfunded Contract	<b>Authority</b> (in thou	sands of dollar	s)
9.00	Budget authority	15,192,013	22,398,332	15,655,452	Identification	on code 12-4336-0-3-351	1985 actual	1986 est.	1987 est.
В	udget authority: Current: Support and related pro- grams:				Contract	d balance, start of year authorityation to liquidate contract authority	3,611,098	3,611,098 5,210,193	8,821,29 — 98,39
10.00 10.00	Appropriation Reduction pursuant to P.L. 99-	12,285,790	13,195,240	16,808,806		d balance, end of year	3,611,098	8,821,291	8,722,89
0.47	Portion applied to debt reduc-	10 205 700	-55,171	16 710 412		Status of Direct Loan	s (in thousands of	dollars)	
0.49	Portion applied to liquidate con-	12,285,790	—13,140,069	-16,710,412	Identification	on code 12-4336-0-3-351	1985 actual	1986 est.	1987 est.
3.00	Appropriation adjust-			<u> </u>	SHO	RT AND MEDIUM TERM EXPORT			
	ed Permanent: Special activities:				Po	LOANS sition with respect to appro- priations act limitation on			
0.00	Appropriation: Reimburse- ment to Commodity Credit Corporation, Na-				1111	obligations: Limitation on direct loans to the public			
	tional Wool Act (perma- nent, indefinite, special				1131	Obligations exempt from limitation: Direct loans to the public	70 475		
	fund) Permanent: Support and related	131,959	109,365	118,635	1150	Total direct loan obligations	70.475		
7.10	programs: Authority to borrow (15				Cı	imulative balance of direct			
9.10	U.S.C. 713a-4) Contract authority (indefi-	11,448,956	17,078,774	15,536,817	1210	loans outstanding: Outstanding, start of year	822,719	802,594	788,08
	nite)	3,611,098	5,210,193		1231	Disbursements: Direct loan dis- bursements	72,475		· · · · · · · · · · · · · · · · · · ·
D	elation of obligations to outlays:				1251	Repayments: Repayments and pre- payments	<b>— 92,919</b>	<b>— 102,180</b>	<i></i> 57,70
- 1									
71.00	Support and related programs: Obligations incurred, net Obligated balance, start of year:	15,106,547	21,889,924	15,541,880	1261 1290	Adjustments: Capitalized interest  Outstanding, end of year	802,594	87,672 788,086	17,12 747,50

Public enterprise funds—Continued					
	Commodit	CREDIT	Corporation	Fund—Continued	

Status of Direct Loans (in thousands of dollars) — Continued

Identifica	etion code 12-4336-0-3-351	1985 actual	1986 est.	1987 est.
	COMMODITY LOANS			
	Position with respect to appro-			
1111	priations act limitation on obligations: Limitation on direct loans to the			
	public			
1131	Obligations exempt from limitation: Direct loans to the public 1	10,185,973	16,529,584	10,840,293
1150	Total direct loan obligations	10,185,973	16,529,584	10,840,293
(	Cumulative balance of direct			
1210	loans outstanding: Outstanding, start of year	7,855,548	12,233,221	17,199,981
1231	Disbursements: Direct loan dis- bursements	10,185,973	16,529,584	10,840,293
1251	Repayments: Repayments and pre-			
	paymentsAdiustments:	— 4,167,067	<b></b> 7,353,341	— 8,540,735
1262 1264	Write-offs for default Other adjustments, net 2	—1,280 —1,639,953	— 4,209,483	5,801,140
1290	Outstanding, end of year	12,233,221	17,199,981	13,698,399
	0700.05 (100.05)			
	STORAGE FACILITY LOANS			
,	Position with respect to appro- priations act limitation on obligations:			
1111	Limitation on direct loans to the public	***************************************	***************************************	****
1131	Obligations exempt from limitation: Direct loans to the public	559	26	,,
1150	Total direct loan obligations	559	26	
(	Cumulative balance of direct			
1210	loans outstanding: Outstanding, start of year	715,933	397,658	133,872
1231	Disbursements: Direct loan dis- bursements	559	26	155,677
1251	Repayments: Repayments and pre- payments	-318,834	<b>— 263,812</b>	— 104,920
1290	Outstanding, end of year	397,658	133,872	28,952
	EVENOT QUADANTEE OLAIMO			
	EXPORT GUARANTEE CLAIMS			
'	Position with respect to appro- priations act limitation on obligations:			
1111	Limitation on direct loans to the			
1132	public	***************************************	***************************************	***************************************
	Defaulted guaranteed loan claims	184,067	613,873	705,16
1150	Total direct loan obligations	184,067	613,873	705,16
	Cumulative balance of direct			
	loans outstanding:	202 711	1.670.015	0.440.03
1210 1232	Outstanding, start of year Disbursements: Disbursements for	363,711	1,670,815	2,448,21
	guaranteed loan claims Repayments:	184,067	613,873	705,16
1251 1252	Repayments and prepayments Repayments of defaulted guar-	—12,987	-10,504	<b>-9,01</b>
1502	anteed loans	6,500	***************************************	
	Adjustments:			

1264	Other adjustments, net <sup>3</sup>	1,142,524	<u></u>	••••••
1290	Outstanding, end of year	1,670,815	2,448,216	3,196,932

¹ The 1986 level of obligations (\$16,529,584 thousand) reflects direct loans for fiscal year 1986 (which includes 1985 and 1986 crop years). The direct loan level for the 1986 crop year estimated to be \$15,000,000 thousand is subject to sequestration under P.L. 99-177. The post sequestration loan level constitutes a de facto limitation.
² This entry includes commodities received as the result of loan forfeitures valued at \$1.6, \$4.1, and \$5.1 billion for fiscal

<sup>2</sup> This entry includes commodities received as the result of loan forfeitures valued at \$1.6, \$4.1, and \$5.1 billion for fiscal years 1985 through 1987, respectively. It also includes non-receipt of loan repayments for marketing loans and adjustments for loans to peanut associations.
<sup>3</sup> Reflects \$1,142,524 thousand in adjustments to outstanding balance of rescheduled loans not previously included in this

schedule.

Status of Guaranteed Loans (in thousands of dollars)

Identification code 12-4336-0-3-351		1985 actual	1986 est.	1987 est.
CCC	EXPORT GUARANTEE PROGRAM			
F	Position with respect to appro- priations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	2,673,640	5,500,000	5,500,000
2150	Total guaranteed loan com- mitments	2,673,640	5,500,000	5,500,000
(	Cumulative balance of guaranteed			
2210 2231	loans outstanding: Outstanding, start of year Disbursements: Disbursements of	4,689,873	5,093,986	7,627,998
2251	new guaranteed loans	3,133,618	5,500,000	5,500,000
2261	payments: Repayments and pre-	- 2,544,331	- 2,426,762	- 2,614,941
2201	fault that result in direct loans.	-185,174	-539,226	-610,806
2290	Outstanding, end of year	5,093,986	7,627,998	9,902,251
	MEMORANDUM			
2299	U.S. contingent liability for guar- anteed loans outstanding, end			
	of year	4,973,199	7,475,438	9,704,206

le l

The Corporation was created to stabilize, support, and protect farm income and prices, to help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers, and to help in their orderly distribution (15 U.S.C. 714-714p). It may make available materials and facilities required in connection with the production and marketing of agricultural commodities and may be used to administer and to temporarily finance numerous special activities.

The Corporation's capital stock of \$100 million is held by the United States. Under present law, up to \$25 billion may be borrowed from the U.S. Treasury to finance operations.

The 1987 estimate includes savings from improving the control and timing of disbursements and handling of cash collections as part of continuing budget management reforms. Permanent indefinite appropriation authority is requested to cover all net realized losses. The 1986 estimates include \$7.95 billion in additional authority as a result of high crop production and new programs under the 1985 Farm Bill. Appropriations to CCC for net realized losses have no effect on budget authority.

Budget assumptions.—The following general assumptions form the basis for the Corporation's 1986 and 1987 budget estimates: (a) National income will rise both in

1986 and 1987 from the present level; (b) 1986 crop production will fall from 1985 crop levels; (c) generally, exports of agricultural commodities in 1987 are expected to be slightly higher than 1986 levels; (d) yields for the 1986 crops are based on recent averages adjusted for trend; (e) acreage allotments and marketing quotas will be in effect for the 1986 crops of certain kinds of tobacco; (f) poundage quotas will be in effect for the 1986 crop of peanuts.

It is difficult to forecast with accuracy requirements for the year ending September 30, 1987, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar ex-

change.

# PROGRAMS OF THE CORPORATION

The basic functions of the Corporation include the following programs for which appropriations are made for net realized losses sustained:

	1987 Estimate (In thousands of dollars)		
Program	Gross obligations	Net outlays	Net realized loss for year
Short-term and intermediate export credit sales	•••••	-57,709	***************************************
Export Guarantee Program	705,164	663,246	-32,901
Commodity loans	10,840,293	2,299,558	700,316
Storage facilities		-104,920	
Supply	4,070	95	<b>— 428</b>
Feed grain payments	6,459,500	3,603,100	6,915,023
Wheat payments	2,918,000	2,310,000	3,151,493
Rice payments	701,000	568,000	853,296
Cotton payments	1,735,596	1,314,291	1,735,596
Dairy	590,000	590,000	590,000
Other support and related	4,484,518	3,405,952	5,545,792
Other items not distributed by program:			
Interest	2,185,036	1,318,293	1,570,757
All other	464,600	711,539	463,626
Total	31,087,777	16,621,445	21,492,570

Support and related stabilization programs.—The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means. This is done mainly under the Commodity Credit Corporation Charter Act, as amended (15 U.S.C. 714 et seq.), the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.), and the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq.).

Support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco. The Agricultural Act of 1949, as amended, also requires support of the following nonbasic commodities: honey, milk, barley, oats, rye, grain sorghum, sugar, soybeans, and seed cotton. The National Wool Act of 1954, as amended (7 U.S.C. 1781–87), requires support for wool and mohair. Support for other nonbasic commodities is discretionary. The support program may also include operations to remove and dispose of surplus agricultural commodities in order to stabilize prices at levels not in excess of those permissible by law.

The principal methods of providing support are loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy his obligation without further payment.

Direct purchases are also made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended (7 U.S.C. 1431 note), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431).

Deficiency payments.—Producers may receive deficiency payments in addition to Commodity Credit Corporation loans and purchases for feed grains, rice and wheat; and in addition to loans for cotton. Producers of feed grains and wheat must comply with acreage limitation provisions or acreage set-aside provisions, and normal crop acreage (NCA) requirements, if in effect, in order to be eligible for loans, purchases, and payments. Producers of cotton and rice must comply with acreage limitation provisions, if in effect, in order to be eligible for loans, purchases, and payments. The total amount of payments, excluding disaster payments, loan deficiency payments, and inventory reduction payments, which a person is entitled to receive under one or more of the annual programs for feed grains, wheat, upland cotton, ELS cotton, and rice for each of the 1986 through 1990 crops of these commodities shall not exceed \$50 thousand. A portion of these payments may be paid with "in kind" commodities.

The Agricultural Act of 1949, as amended, establishes minimum target prices for the 1986 through 1990 crops of the following commodities—wheat, corn, upland cotton, rice, and ELS cotton, and establishes minimum loan and purchase levels for wheat, feed grains, and rice, and establishes minimum loan levels for upland cotton and ELS cotton. Deficiency payments for each of the commodities are required when the target price for the commodity exceeds the national average market price or the loan rate, whichever is higher. The target prices for grain sorghum and oats and, if designated by the Secretary, barley, are established at a level which is fair and reasonable in relation to the target prices established for corn.

Dairy.—The Agricultural Act of 1949, as amended by the Food Security Act of 1985, provides for a revised dairy price support program. For the period beginning January 1, 1986, and ending December 31, 1986, the support price is \$11.60 per hundredweight. The support price is \$11.35 per hundredweight for the period January 1, 1987 through September 30, 1987. During the period October 1, 1987 through December 31, 1990, the support price will be \$11.10 per hundredweight except that the Secretary will, on January 1 of calendar years 1988, 1989, and 1990, reduce the support price in effect by 50 cents per hundredweight if estimates of CCC purchases of milk or milk products for the twelve-month period beginning on such date is in excess of five billion pounds milk equivalent, if a milk production termination program is implemented for the 18-month period of April 1, 1986 through September 30, 1987 which achieves a reduction in production of at least 12 billion pounds or the Secretary certifies to Congress that reaPublic enterprise funds-Continued

COMMODITY CREDIT CORPORATION FUND-Continued

sonable contract offers were extended but that such offers were not accepted by a sufficient number of producers to achieve the 12 billion pound reduction. In addition, if the Secretary estimates on January 1 or any of the calendar years 1988, 1989, and 1990 that the level of purchases of milk and milk products by CCC for such calendar year will not exceed 2.5 billion pounds, the Secretary shall increase the support price in effect on such date by 50 cents per hundredweight. Under the production termination program, producers may submit bids for payments by CCC in return for the full termination of production by such producers. To encourage the adjustment of milk production to levels consistent with national demand, and finance the production termination program, the Secretary is required to provide for a reduction of 40 cents per hundredweight in the support price received on all milk marketed for commercial use by producers to be made during the period April 1, 1986 through December 31, 1986 and 25 cents per hundredweight for the period January 1, 1987 through September 30, 1987.

#### DATA ON SUPPORT AND RELATED PROGRAMS

Fin thousands of dollars?

ltem .	1985 actual	1986 estimate	1987 estimate
7.00.0			
Loans made	10,186,532	16,529,610	10,840,293
Loans repaid	4,485,901	7,617,153	8,645,655
Loan collateral forfeited	1,637,589	4,051,896	5,100,824
Loans outstanding, end of year	12,630,879	17,333,853	13,727,351
Acquisitions	4,411,821	6,303,734	6,745,378
Cost of commodities sold	2,385,371	2,677,531	3,652,073
Cost of commodities donated	2,463,698	1,696,600	1,566,640
Inventory, end of year	6,920,924	8,850,527	10,377,192
Investment in loans and inventory, end of year	19,551,803	26,184,380	24,104,543
Direct producer payments	7,826,903	6,039,200	8,985,391
Net expenditures	17,573,831	20,752,159	16,621,445
Realized losses	12,934,899	20,175,743	21,492,570

Commodity export.—The Corporation promotes the export of agricultural commodities and products through sales for dollars or foreign currency, payments, extension of credit, assumption of certain risks, and conduct of other operations with respect to the exportation of commodities. Such commodities and products may be those held in private trade channels as well as those acquired by the Corporation. These programs are carried out under the Corporation's charter and other specific legislation. The 1985 estimates include \$140 million in increased revenues from increasing loan fees to 5 percent.

Foreign donations.—Under the authority of section 416(b) of the Agricultural Act of 1949, as amended, CCC may furnish eligible commodities for carrying out programs of assistance in developing and friendly countries and may pay costs associated with making the commodities available. Such commodities may also be used to carry out the Food for Progress Act of 1985 or furnished in connection with (i) sales under title I of the Agricultural Trade Development Act of 1954, as amended; (ii) agricultural export bonus or promotion programs; or (iii) agreements by recipient countries to acquire additional agricultural commodities from the U.S. through commercial arrangements.

Storage facilities.—Pursuant to sections 4(h) and 5(b) of the Commodity Credit Corporation Charter Act, the

Corporation has authority to make secured loans for the purchase, construction, or remodeling of facilities for storage and care of commodities on the farm.

Supply and foreign purchase.—The Corporation can procure from domestic and foreign sources food, agricultural commodities, and products and related materials to supply the needs of Federal agencies, foreign governments, and private and international relief agencies, under section 5 (b) and (c) of the Commodity Credit Corporation Charter Act.

Set-aside program and acreage limitation program.— The Agricultural Act of 1949, as amended, authorizes the Secretary to establish, through the Corporation, acreage limitation programs on the 1986 through 1990 crops of upland cotton, rice, and ELS cotton. In addition, the Secretary is authorized to implement a set-aside or acreage limitation program for the 1986 through 1990 crops of wheat and feed grains.

Land diversion payments.—The Agricultural Act of 1949, as amended, provides that, to assist in adjusting the acreage of commodities to desirable goals, the Secretary is required, with respect to the 1986 crops of wheat and feed grains if certain stock levels exist on the first day of the marketing years for such crop, to make land diversion payments in the form of an "in-kind" payment and may, with respect to the 1987 and subsequent crops of wheat, feed grains, and the 1986 through 1990 crops of upland cotton, ELS cotton, and rice, make land diversion payments, through the Corporation, to producers who devote to approved conservation uses acreages of cropland in addition to those required to be so devoted under the acreage limitation or set-aside programs.

Conservation Reserve Program.—The Food Security Act of 1985 provides that the Secretary shall carry out a Conservation Reserve Program by entering into 10- to 15-year contracts with owners of highly erodible cropland to assist them in conserving and using the soil and water resources of their farms. Non-erodible lands which pose an off-farm environmental threat or cause productivity degradation due to soil salinity may also be included. In return for placing land in the reserve, farmers receive cost-share and rental payments, as well as technical assistance from USDA agencies. A minimum of 5 million acres in crop year 1986 and 10 million acres in crop year 1987 will be included in the reserve, and the facilities, services and funds of CCC will be used to carry out the program in these two years. A portion of these payments may be paid with "in-kind" commodities.

Grain reserves.—A producer-owned grain reserve program for wheat and feed grains provides 3-year extended loans to producers. Producers receive annual storage payments under the contract. Program provisions establish when interest is charged. Storage payments cease and producers may repay their loans when market prices reach the higher of 140 percent of the nonrecourse loan rate for the commodity or the established price for the commodity.

Loan operations.—The following table reflects commodity and storage facility loan operations of the Corporation (in thousands of dollars):

ltem .	1985 actual	1986 estimate	1987 estimate
Loans outstanding, gross, start of year:			
Commodity Credit Corporation	8,571,481	12,630,879	17,333,853
Add loans made	10,186,532	16,529,610	10,840,293
Deduct:			
Loans repaid	4,485,901	7,617,153	8,645,655
Acquisition of loan collateral	1,637,589	4,051,896	5,100,824
Writeoffs	3,644	157,587	700,316
Total loans autotonding gross and of year	12 020 070	17 222 052	10 707 051
Total loans outstanding, gross, end of year	12,630,879	17,333,853	13,727,351
Loans outstanding, gross, end of year:			
Commodity Credit Corporation	12,630,879	17.333.853	13.727.351
Allowance for losses	-157,719	-221.880	-176,709
Loans receivable, net (support and storage facili-			
ties)	12,473,160	17,111,973	13,550,642

*Inventory operations.*—The following table reflects the inventory operations applicable to the preceding programs (in thousands of dollars):

#### AGRICULTURAL COMMODITIES

ltem .	1985 actual	1986 estimate	1987 estimate
On hand, start of year, gross	7,358,172	6,920,924	8,850,527
Acquisitions:			
Forfeiture of loan collateral	1,637,589	4,051,896	5.100.824
	40.781	71,530	78.948
Excess of collateral acquired over loans canceled	2.616.065	2,071,697	1.464.964
Purchases Transfers and exchanges, net	11,640	- 234	71
Carrying charges:	11,040	234	-/1
Charges to inventory	129,026	108.845	100,713
Storage and handling (nonadd)	394.190	606.641	1.041.972
Transportation (nonadd)	133.918	163.291	152,501
Transportation (nonado)	155,516	103,231	132,301
Total acquisitions	4,411,821	6,303,734	6,745,378
No. 191			
Dispositions:			
Domestic donations to:	1 000 070	0.45 525	750.050
Families	1,269,876	845,535	750,353
Institutions	225,903	223,669	181,341
School lunch	424,371	343,165	274,671
Total domestic donations	1.920.150	1,412,369	1,206,365
Export donations	543,548	284,231	360,275
Special programs: Title II, Public Law 480	701,575	438,400	394,200
Other sales	1,055,988	1,486,673	2,547,516
Net loss or gain (—) on sales and transfers	627,808	752,458	710,357
Total sales and transfers	2,385,371	2,677,531	3,652,073
Total dispositions	4,849,069	4,374,131	5,218,713
On hand, end of year, gross	6.920.924	8.850.527	10.377.192
Allowance for losses	-3,856,068	- 4,931,514	-5,782,171
		<del></del>	
On hand, end of year, net	3,064,856	3,919,013	4,595,021

Operating expenses.—The Corporation carries out its functions through utilization of employees and facilities of other Government agencies. Administrative expenses are incurred for the services of: the Agricultural Stabilization and Conservation Service, General Sales Manager, and other agencies of the Department engaged in the Corporation's activities; and the General Accounting Office for audit. Additional expenses are incurred for ASCS county offices for work related to programs of the Corporation, other ASCS expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

Expenses are incurred for acquisition, operation, maintenance, improvement, or disposition of property which the Corporation owns or in which it has an inter-

est. These expenses are treated as program expenses. Such program expenses include inspection, classing and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors; work relating to CCC programs performed on a contract or fee basis by Agricultural Stabilization and Conservation Service; and special services performed by other Federal agencies within and outside this Department. Most of these general expenses, including storage and handling, transportation, inspection, classing and grading and producer storage payments, are included in program costs. They are shown in the program and financing schedule in the entries entitled "Storage, transportation, and other obligations not included above," and "Producer storage payments."

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87-152 (7 U.S.C. 447-449) by the States from Corporation stocks to feed resident wildlife threatened with starvation through the appropriation reimbursement for net realized losses. There have been no requisitions in recent years, however.

#### SPECIAL ACTIVITIES

These activities are carried out under authority of section 5(g) of the Corporation's charter act and specific statutory authorizations or directives with respect thereto which are currently in effect or which may subsequently be enacted.

A summary of such current activities not included under other designated activities is as follows (in thousands of dollars):

	1987 estin	nate
(1) (a) Sale of agricultural commodities for foreign currencies	Gross obliga- tions	Outlays (reim- bursable) — 8,700
(1) (b) Financing sales of agricultural commodities for convertible foreign currencies and for dollars on credit terms	944,400	573,100
sitions abroad(3) National Wool Act	600,000 113,572	600,000 113,572
Total	1,657,972	1,277,972

The Corporation receives appropriations or reimbursement for cost of these activities as described under each.

Activities currently being carried out are as follows (see Foreign Assistance programs for details of items (1) and (2):

- (1) Financing sales of agricultural commodities for convertible foreign currencies and for dollars on credit terms (titles I and III, Public Law 480).
- (2) Commodities supplied in connection with dispositions abroad (title II, Public Law 480).
- (3) National Wool Act.—Under the National Wool Act of 1954, as amended, support of prices of wool and mohair is mandatory. The Corporation makes payments to producers in order to bring the national average price received by all producers up to the support price required under the act.

Public enterprise funds-Continued

#### COMMODITY CREDIT CORPORATION FUND-Continued

#### COST OF THE NATIONAL WOOL ACT

[Dollars in thousan	ds]		
ltem .	1985 actual	1986 estimate	1987 estimate
Marketings on which payments made:			
Shorn wool (thousand pounds)	92,725	82,300	78,400
Unshorn lambs (thousands cwts)	3,971	4,000	3,500
Mohair (thousand pounds)	11,939	11,270	12,160
Amount of payments:			
Shorn wool	\$76,728	\$84,700	\$87,000
Unshorn lambs	15,571	16,500	15,500
Mohair	10,242	11,800	5,500
Promotional and advertising program 1 (non-			
add)	5,026	4,599	4,383
Total payments	102,541	113,000	108,000
Administrative expense	2,438	2,068	2,050
Interest expense	4,386	3,567	3,522
Total	109,365	118,635	113,572

<sup>&</sup>lt;sup>1</sup> Deductions from producer payments for promotional advertising and selected marketing development activities.

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70 percent of the accumulated totals, as of the same date, of the gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures. Actual or estimated payments compared with this limitation are as follows (in thousands of dollars):

ltem .	1985 actual	1986 estimate	1987 estimate
70% of customs receipts on wool and wool manufactures, cumulative from Jan. 1, 1953, to end			
of preceding calendar year	3,183,727	3,468,815	3,757,404
Cumulative incentive payments on marketings to end of preceding calendar year	1,536,660	1,649,660	1,757,660
Balance of limitation available for pay- ments in succeeding marketing years	1,647,067	1,819,155	1,999,744

Funds of the Corporation are used to carry on this program. For the purpose of reimbursing the Corporation, section 705 of the act appropriates each fiscal year an amount equal to amounts expended by the Corporation during the preceding year and to amounts expended in prior fiscal years not previously reimbursed, but not to exceed an amount equal to 70 percent of the gross receipts from duties collected on wool and wool manufactures during the calendar year preceding the fiscal year.

Estimated costs and appropriations to the Corporation are indicated in the following table (in thousands of dollars):

ltem .	1985 actual	1986 estimate	1987 estimate
Due start of year	131,959	109,365	118,635
Costs for year:			
Program	104,979	115,068	110,050
Interest	4,386	3,567	3,522
Subtotal	109,365	118,635	113,572
Total due	241,324	228,000	232,207
the year	131,959	109,365	118,635
Due end of year	109,365	118,635	113,572

#### FINANCING

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$25 billion.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938 (15 U.S.C. 713a-4).

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Commodity Credit Corporation and approved by the Secretary of Treasury.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964 on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

#### POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR

[In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Statutory borrowing authority	25,000,000	25,000,000	25,000,000
Deduct: Borrowings from Treasury	23,811,290	23,692,423	23,500,000
Total statutory borrowing authority in use	23,811,290	23,692,423	23,500,000
Net statutory borrowing authority available	1,188,710	1,307,577	1,500,000

<sup>&</sup>lt;sup>1</sup> Assumes enactment of \$7,950,000,000 supplemental for reimbursement of CCC realized losses.

Note.—Accounts payable, accrued liabilities and other outstanding obligations not reflected on this table do not become charges against the statutory borrowing authority until they result in borrowings from the Treasury.

Contract authority.—Price support and other programs required by statute may result in the Corporation incurring obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds which may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the authority.

Appropriations.—Under section 2 of Public Law 87-155 (15 U.S.C. 713a-11), annual appropriations are authorized for each fiscal year to reimburse the Corporation for net realized losses incurred as of the close of each year.

The special activities are financed as indicated in the program descriptions above. In addition to certain reimbursements from other agencies, appropriations are made for the National Wool Act (see above) and for foreign assistance programs.

*Deficit.*—The net realized losses of the Corporation have previously been reimbursed as follows (in thousands of dollars):

==									
SUPPORT A	ND RELATED	PROGRAM	1S		Increase (—) or decreas				
Realized losses, 1933 to 1985, inclusive				119,878,653	for losses (unrealize On commodities for sal		207.250	1 075 445	050 657
Reimbursements by the Treasury:					On loans receivable		207,356	-1,075,445	850,657 45,170
Reimbursements of realized losses:					On accounts receivable		— 135,990 — 35,875	-64,161 $-256,785$	- 112,625
Appropriations (41 times)							- 33,073	-230,763	- 112,023
Note cancellations (6 times)		2,6	97,807		Net loss for the year	ar, support and			
Less dividends paid to Treasury	(4 times)	-1	38,209		related programs	***************************************	<b>—12,899,408</b>	<i>—</i> 21,572,134	<b>— 22,410,682</b>
Total reimbursements for r	net realized				Special activities:				
losses		111.9	40,522		Revenue		390,263	373,000	380,000
					Received from appropriat		000,200	3,3,333	353,333
Other reimbursements:					in unearned receipts		<b>— 23,899</b>	139,773	
Appropriations (2 times)			,	•••••	Formed revenue		200 204	£10.772	390,000
Note cancellation (1 time)			56,239	***************************************	Earned revenue Expense		366,364 — 2,214,729	512,773 —1,930,566	380,000 —1,657,972
Total other reimbursements		5	98,155	•••••	LAPENSE	***************************************	-2,214,729	-1,530,300	-1,037,372
			<u> </u>		Net realized loss, sp	ecial activities.	1,848,365	<b>—1,417,793</b>	— 1 <b>,</b> 277 <b>,</b> 972
Total				112,538,677	Net loss for the yea	,	14 747 772	-22,989,927	-23,688,654
Realized deficit as of September 30, 19	85. support				Net 1033 101 the yea	l	-14,747,773	22,303,327	- 23,000,034
and related programs				7,339,976					
					Fina	incial Condition	(in thousands of	dollars)	
SPECIAL ACTIVITIES					-				
Realized losses, 1948 to 1983, inclusive				40,792,676		1984 actual	1985 actual	1986 estimate	1987 estimate
Excess amounts appropriated to rein				40,732,070	Assets:				
of special activities				562,839	Drawing account with				
Reimbursements by the Treasury:				,,,,,,	Treasury	-340,596	- 379.429	- 379,429	-379,429
Appropriations (39 times)		40,6	76,027		Accounts receivable:		0.0,.20	2,2,122	,
Note cancellations (4 times)		5	36,518		Support and related				
Other reimbursements: Sale pr	oceeds (5				programs (net of				
times)			33,605		provisions for	0.004.100	1.042.000	1 001 000	1 250 665
Total reimbursements				41,246,150	losses)	2,094,183	1,943,229	1,221,290	1,358,665
Total Telinburschichts				71,270,100	Selected assets:				
Realized deficit as of September 30, 19					Support and				
activities				109,365	related programs:				
					Agricultural com- modities for sale,				
Capital and deficit,	special	activitie	es.—Adv	ances to	net of provision				
the Corporation in exc	ess of co	osts inc	urred, a	nd costs	for losses	3,294,748	3,064,856	3,919,013	4,595,021
incurred in excess of a	dvances	receive	ed are s	hown in	Advances to produc-				
the following table (in the					ers	169,950	136,145		
					Deferred and undis-			070.450	070.450
Foreign assistance programs: Public		Excess of fu	inds held by CCC		tributed charges	207,723	310,302	276,459	276,459
Law 480:	1984 actual	1985 actual	1986 estimate	1987 estimate	Loans receivable, guar-				
Titles I and III: Sale of agricultural					antee claims re- scheduled	363,711	632,829	2,448,216	3,196,932
commodities for foreign curren-					Interest in amounts	303,711	032,023	2,440,210	3,130,332
cies and for dollars on credit	186,613	139,102	135,160	135,160	due from foreign				
terms	100,013	100,102	100,100	100,100	governments and				
connection with dispositions					private trade enti-				
abroad	352,327	423,737	287,906	287,906	ties under Public		10015 100	11 000 000	11 740 000
	530.040	ECO 920	102.000	122.066	Law 480	9,483,505	10,315,409	11,083,803	11,743,296
Total	538,940	562,839	423,066	423,066	Loans receivable, net				
		Deficit requirin	ng subsequent fund	's	of provision for				
Definit financed by CCC or evenes					losses:				
Deficit financed by CCC or excess funds held (—) (nonadd)	_538,940	562 839	<b>— 423,066</b>	<b>—423,066</b>	Commodity and				
Increase or decrease (—) in amount	- 330,340	- 302,003	120,000	.20,000	storage facility loans (held by				
owed by general fund for foreign					Commodity Credit				
assistance programs (nonadd)	- 291,608	-23,889	139,773		Corporation)	8,549,752	12,473,160	17,111,973	13,550,642
Other programs: National Wool Act	131,959	109,365	118,635	113,572	Export credit sales				
Tabl	131.959	109,365	118,635	113,572	programs	822,719	802,594	788,086	747,506
Total	151,939	103,303	110,000	110,372	Loans to govern-			050.000	252.22
Revenue and Ex	pense (in th	ousands of	dollars)		ment agencies	1.004		250,000	250,000
					Fixed assets, net	1,224	6,618	61,805	59,718
	1985	actual	1986 est.	1987 est.	Total assets	24,646,919	29,305,713	36,781,216	35,398,810
Support and related programs:									
Revenue	2,5	78,699	2,756,037	4,031,557	Liabilities:				
Expense		13,598 —	22,931,780	25,524,127	Current liabilities:				
Net realized losses		34,899 —	20,175,743	-21,492,570	Support and related	C 000 070	6 122 077	12 520 401	17 275 700
MET LEGITZED ID22E2	- 12,3				programs	6,880,078	6,122,077	13,528,461	17,275,798

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Public enterprise fu	nds—Contin	ued				Advances from foreign assistance programs	1,739,0	00	1,299,158	1,164,400
Commodity	CREDIT COR	PORATION FU	ND —Continu	ıed	D	peficit, end of year: Realized, special			1,233,136	1,104,400
Financial	Condition (in th	nousands of dollars	s) — Continued			activities	<u></u>	65 = =	—118,635	— 113,572
	1984 actual	1985 actual	1986 estimate	1987 estimate		Total deficit, Commodity Credit Corporation	-11,555,2	02 _	12,046,537	_17,643,350
Deferred interest in amounts due						Total Government equity (end of year)	- 10,943,0	 63 -	11,523,471	<b>— 17,120,284</b>
from foreign gov- ernments and private trade en-						—In addition to obligations other than liabilities, on on which adequate proof has not been established.		does not	reflect in its acco	unts claims by the
tities under Public Law 480	9,483,505	10,315,409	11,083,803	11,743,296		Object Classification	(in thousan	ds of d	ollars)	
Debt issued under bor- rowing authority:	0,100,000	20,020,100	,,		Identifical	tion code 12-4336-0-3-351	198	5 actual	1986 est.	1987 est.
Borrowing from Treasury	18,608,576	23,811,290	23,692,423	23,500,000	22.0 25.0	Transportation of thingsOther services		14,997 64,999	645,622 468,019	521,701 457,650
Total liabilities	34,972,159	40,248,776	48,304,687	52,519,094	25.0	Other services (storage and handling Supplies and materials: Cost of co	g) 7	01,333	1,218,151	1,795,433
Government equity: Obligations other than					26.0	ities sold or donated: Foreign assistance programs		64,255	1,356,500	1,221,200
liabilities:					26.0	Other	2,7	18,357	2,351,938	1,944,674
Support and related programs: Other					31.0 33.0	Investments and loans		44,611 143,074	65,000 17,143,483	9,000 11,545,437
commitments	3,044,695	144,392	74,979	66,281	41.0	Grants, subsidies, and contributions.	7,4	11,726	12,177,186	13,062,096
Special activities: Letters of com-					43.0	Interest and dividends	2,0	72,586	1,804,244	2,188,558
mitment for Public Law 480	134,137	152,053	148,732	136,372	99.9	Total obligations	26,	135,938	37,230,143	32,745,749
Total obligations						Reduction Pursuan	t to Publi	c Law	99-177	
other than li- abilities	3,178,832	296,445	223,711	202,653		Program and Financii	ng (in thous	ands of	dollars)	
Unobligated balance	235,000	356,931			Identifica	tion code 12-4336-6-3-351	1985 actual		1986 est.	1987 est.
Unfinanced budget au- thority	<b>— 8,370,373</b>	<b></b> 5,075,508	5,542,922	5,379,193						
Invested capital		<u>-6,520,931</u>	<u>-17,290,104</u>	<u>- 22,702,130</u>		Program by activities: Total obligations		••••	<b>—823,126</b>	***************************************
Total Government equity	- 10,325,240	- 10,943,063	-11,523,471	17,120,284	47.10	inancing: Budget authority (authority to				
Analysis of changes in	Government					borrow)		••••	<b>—823,126</b>	
equity: Support and related prog	rams: Interest-				R	delation of obligations to outlays:				
bearing capital (capi	tal stock bal-				71.00	Obligations incurred, net Obligated balance, start of year			<b>—823,126</b>	<b>— 409,25</b> 3
ance)	••••••	100,000	100,000	100,000	72.40 74.40	Obligated balance, end of year			409,253	- 409,230
Special activities: Non- capital:	interest-bearing				90.00	Total outlays			<b>— 413,873</b>	<b>— 409,253</b>
Start of year Change in unearned re		538,940	562,839	423,066		Ohatur of Direct Law	- Ca thaus		dellere	
propriation		<u>26,801</u>				Status of Direct Loan	ns (in thous	ands of	dollars)	
End of year		512,139	423,066	423,066	Identifica	tion code 12-4336-6-3-351	1985 actual		1986 est.	1987 est.
Total capital, end of		612,139	523,066	523,066		COMMODITY LOANS				
Support and related prog of deficit:	grams: Analysis				F	Position with respect to appro-				
Deficit: Start of year		-10,832,219	-11,445,837	-11,927,902		priations act limitation on obligations:				
Net loss for the year Appropriations (net):		—12,899,408	-21,572,134	<b>— 22,410,682</b>	1111	Limitation on direct loans to the				
for net realized loss	ses	12,285,790	21,090,069	16,808,806	1131	Obligations exempt from limitation:	••••••	••••		***************************************
Deficit: End of year: Realized		<b>-7,339,976</b>	6,425,650	-11,109,414		Direct loans to the public		<del></del> –	_573,835	***************************************
Unrealized		<u>-4,105,861</u>	5,502,252	-6,420,364	1150	Total direct loan obligations		••••	<b>— 573,835</b>	
Total deficit, en port and relat	d of year, sup- ed programs	_11,445,837	-11,927,902	_17,529,778	(	Cumulative balance of direct loans outstanding:				
Special activities:					1210 1231	Outstanding, start of year Disbursements: Direct loan dis-	***************************************		•••••	— 413,873
Analysis of deficit: Deficit, start of yea	r, realized	—131,959	-109,365	118,635	-20.	bursements	***************************************		- 413,873	<b>— 159,962</b>
Net loss for the year Appropriation: National		-1,848,365 131,959	- 1,417,793 109,365	-1,277,972 118,635	1290	Outstanding, end of year			<b>— 413,873</b>	<b>- 573,835</b>
мругорнацоп: мацопа	1 11001 ACL	151,333	103,303	110,033						

	Status of Guaranteed L	oans (in thousa	nds of dollars)	
Identifica	tion code 12-4336-6-3-351	1985 actual	1986 est.	1987 est.
CCC	C EXPORT GUARANTEE PROGRAM			
F	Position with respect to appro- priations act limitation on commitments:			
2111 2131	Limitation on guaranteed loans made by private lenders Guaranteed loan commitments			
	exempt from limitation			
2150	Total guaranteed loan com- mitments		-236,200	
C	cumulative balance of guaranteed loans outstanding:			
2210 2231	Outstanding, start of year  Disbursements: Disbursements of			-236,200
2201	new guaranteed loans			
2290	Outstanding, end of year		<u> </u>	-236,200
	MEMORANDUM			
2299	U.S. contingent liability for guaranteed loans outstanding, end of year		<b>— 236,200</b>	236,200

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

COMMODITY CREDIT CORPORATION FUND (Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

dentification code 12-	4336-2-3-351	1985 actual	1986 est.	1987 est.
Program by	activities:			
	nd related programs: Operating			
	es: Interest: Treasury,			-873
01.03 Capital in	vestment: Guarantee claims			-21,814
10.00 Tota	l obligations			<b>— 22,687</b>
Financing:				
	collections from: Non-Federal			447.00
sources	: Sales and other proceeds			117,099
47.10 Bud	get authority: (authority to			
b	orrow)			— 139,786
Relation of o	bligations to outlays:			
71.00 Obligation	s incurred, net			— 139,786
	Status of Direct Loans (in			— 139,786 ——————
90.00 Out	ays			
90.00 Outl	Status of Direct Loans (in			139,786
90.00 Outl	Status of Direct Loans (in GUARANTEE CLAIMS			139,786
90.00 Outl  CCC  Position will limital	Status of Direct Loans (in			139,786
90.00 Outl  CCC  Position wi  limitat  1111 Limitation	Status of Direct Loans (in SUARANTEE CLAIMS the respect to appropriation act ion on obligations: on direct loans to the public			139,786
90.00 Outl  CCC  Position wi limitation  Obligations	Status of Direct Loans (in S GUARANTEE CLAIMS th respect to appropriation act ion on obligations:	thousands of		— 139,786 ————————————————————————————————————
CCC Position will limitate statement of the control	Status of Direct Loans (in GUARANTEE CLAIMS th respect to appropriation act ion on obligations: on direct loans to the public exempt from limitation:	thousands of	dollars)	
CCC Position wire limitat Limitations Obligations 1132 Defaulted 1150 Tota	Status of Direct Loans (in GUARANTEE CLAIMS the respect to appropriation act ion on obligations: on direct loans to the public	thousands of	dollars)	
CCC Position wire limitate 1111 Limitations Obligations 1132 Defaulted 1150 Total	Status of Direct Loans (in GUARANTEE CLAIMS th respect to appropriation act ion on obligations: on direct loans to the public exempt from limitation: guaranteed loan claims	thousands of	dollars)	
CCC Position wire limitat 1111 Limitation Obligations 1132 Defaulted 1150 Tota Cumulative standi	Status of Direct Loans (in SUARANTEE CLAIMS th respect to appropriation act ion on obligations: on direct loans to the public exempt from limitation: guaranteed loan claims	thousands of	dollars)	
CCC Position will limitat 1111 Limitation Obligations 1132 Defaulted 1150 Tota  Cumulative standi 1210 Outstandi	Status of Direct Loans (in GUARANTEE CLAIMS th respect to appropriation act ion on obligations: on direct loans to the public exempt from limitation: guaranteed loan claims	thousands of	dollars)	

Status of Guaranteed Loans (in thousands of dollars)

COMMODITY CREDIT CORPORATION—Continued Federal Funds—Continued

	EXPORT GUARANTEE PROGRAMS		
	GUARANTEED LOANS		
2111	Position with respect to appropriation act limitation on commitments:  Limitation on guaranteed loans made by private lenders		
2131	Guaranteed loan commitments exempt from limitation	 	_2,500,000
2150	Total guaranteed loan commitments	 	_2,500,000
(	Cumulative balance of guaranteed loans outstanding:		
2210 2230 2251 2261	Outstanding, start of year	 	
2201	Adjustments: Terminations for defaults that result in direct loans	 	11,702
2290	Outstanding, end of year	 	<b>-2,475,550</b>
	MEMORANDUM		
2299	U.S. contingent liability for guaranteed		

Legislation will be proposed to decrease the fiscal year 1987 program level for short-term export credit guarantees from \$5 billion to \$3 billion and to eliminate the intermediate export guarantee program. Legislation is also proposed to increase the fees on the export guarantee program from less than 1 percent to 5 percent.

#### Object Classification (in thousands of dollars)

Identifica	tion code 12-4336-2-3-351	1985 actual	1986 est.	1987 est.
33.0 43.0	Investments and loans			-21,814 -873
99.0	Total obligations			— 22,687

#### General and special funds:

#### [Temporary Emergency Food Assistance Program]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code 12-3635-0-1-351	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations (object class 41.0)	56,763	49,700	
F	inancing:			
25.00	Unobligated balance lapsing	237		
39.00	Budget authority	57,000	49,700	
В	udget authority:			
40.00	Appropriation	57,000	50,000	
40.00	Reduction pursuant to P.L. 99-190		-300	
43.00	Appropriation (adjusted)	57,000	49,700	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	56,763	49,700	
72.40	Obligated balance, start of year	16,924	17,688	15,654
74.40	Obligated balance, end of year	-17,688	-15,654	
77.00	Adjustments in expired accounts	-6,203		
90.00	Outlays	49,796	51,734	15,654

#### General and special funds-Continued

## [Temporary Emergency Food Assistance Program]—Continued

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]				
	1985 actual	1986 estimate	1987 estimate	
Enacted/requested:				
Budget authority	57.000	49,700		
Outlays	49,796	51.734	15.654	
Reduction pursuant to P.L. 99-177:	,	,	•	
Budget authority		2.137		
O. 41		-1.464	-673	
,				
Total:				
Budget authority	57,000	47,563		
Outlays	49,796	50,270	14,981	

This program, authorized by the Temporary Emergency Food Assistance Act of 1983, as amended, provides funding to States to cover storage and distribution costs of CCC emergency donated commodities. Funds provided in this appropriation are administered through the Food and Nutrition Service. No funds are requested for 1987.

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3635-6-1-351	1985 actual	1986 est.	1987 est.
P 10.00	rogram by activities: Total obligations		2,137	
40.00	inancing: Budget authority (appropriation)		-2,137	
71.00 72.40 74.40	elation of obligations to outlays: Obligations incurred, net Obligated balance, start of year Obligated balance, end of year			<u> </u>
90.00	Outlays		-1,464	- 673

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### OFFICE OF RURAL DEVELOPMENT POLICY

#### Federal Funds

General and special funds:

# [SALARIES AND EXPENSES]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-0801-0-1-452	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
10.00	Total obligations	1,766	616	
F	inancing:			
21.40	Unobligated balance available, start of year		<b>—209</b>	
24.40	Unobligated balance available, end of year	209		
25.00	Unobligated balance lapsing	370		
39.00	Budget authority	2,345	407	
В	udget authority:			
40.00	Appropriation	2,136	407	
50.00	Reappropriation	209	***************************************	

R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,766	616	
72.40	Obligated balance, start of year	517	553	
74.40	Obligated balance, end of year	<b></b> 5 <b>5</b> 3		
77.00	Adjustments in expired accounts	118		
90.00	Outlays	1,612	1,169	

Funding for 1986 was provided by a continuing resolution through December 19, 1985. Additional funding was not provided and is not requested in fiscal year 1987.

#### Object Classification (in thousands of dollars)

Identifica	stion code 12-0801-0-1-452	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	914	298	
11.3	Other than full-time permanent	41	1	
11.5	Other personnel compensation	28	1	
11.9	Total personnel compensation	983	300	
12.1	Personnel benefits: Civilian	100	30	
13.0	Benefits for former personnel	1		
21.0	Travel and transportation of persons	27	9	
22.0	Transportation of things	3	1	
23.3	Communications, utilities, and miscellane-			
	ous charges	71	23	
24.0	Printing and reproduction	21	7	
25.0	Other services	542	240	
26.0	Supplies and materials	17	6	
31.0	Equipment	1		
99.9	Total obligations	1,766	616	

#### Personnel Summary

Total number of full-time permanent positions  Total compensable workyears: Full-time equivalent	22	20	•••••
employment	27	5	•••••

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# RURAL ELECTRIFICATION ADMINISTRATION

#### Federal Funds

General and special funds:

# SALARIES AND EXPENSES

For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), and for which commitments were made prior to fiscal year 1987, \$26,355,000, including not to exceed \$7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 for employment under 5 U.S.C. 3109.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) revides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code 12-3100-0-1-271	1985 actual	1986 est.	1987 est.
P	rogram by activities: Direct program:			
00.01	Administration of rural electrification program	15,192	16,594	14,197
00.02	CATV programs	13,010	14,210	12,158
00.91 01.01	Total direct programReimbursable program	28,202 214	30,804 256	26,355 260
10.00	Total obligations	28,416	31,060	26,615

F	inancing:			
11.00	Offsetting collections from: Federal funds	<b>— 214</b>	256	-260
25.00	Unobligated balance lapsing	2,462		
20.00		20.004	20.004	
39.00	Budget authority	30,664	30,804	26,355
В	sudget authority:			
40.00	Appropriation	30,664	30,990	26,355
40.00	Reduction pursuant to P.L. 99-190		186	
43.00	Appropriation (adjusted)	30,664	30,804	26,355
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	28,202	30,804	26,355
72.40	Obligated balance, start of year	2,036	2,692	1,882
74.40	Obligated balance, end of year	2,692	-1,882	-1,720
77.00	Adjustments in expired accounts	—142		

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(III (HOUSAIIUS OF OO	11912)		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	30.664	30.804	26.355
Outlays	27,404	31.614	26.517
Reduction pursuant to P.L. 99–177:	,		==,==
Budget authority		-1.325	
0.11		-1.230	<b>— 95</b>
Proposed for later transmittal under proposed legis-		1,200	00
lation:			
Budget authority			<b>—21.750</b>
Outlays			-21,730 $-20.030$
Outlays			- 20,030
Total:			
Budget authority	30,664	29,479	4,605
Outlays	27,404	30.384	6,392
000000000000000000000000000000000000000	27,404		0,002

The Rural Electrification Administration, under authority of the Rural Electrification Act of 1936, as amended, makes subsidized direct loans and guarantees loans made by other qualified lenders to rural electric and telephone systems for electric and telephone service in rural areas.

In order to protect the Government's loan security on over \$57 billion of loans and guarantees made to borrowers, to assure that construction and operation projects conform to approved standards, REA furnishes business management and technical assistance on a regular basis to its borrowers. This objective is carried out through regulations, personal visits to the borrowers, and by training. REA has personnel in the Washington office and a field staff who have expertise in the electric or telephone industry and who are available to assist borrowers in specialized areas.

Since current and projected demand for new REA loans has declined, staff resources necessary to carry out these programs are being reduced.

# Object Classification (in thousands of dollars)

Identifica	tion code 12-3100-0-1-271	1985 actual	1986 est.	1987 est.
	Direct obligations: Personnel compensation:			
11.1	Full-time permanent	20,428	21,228	18,928
11.3	Other than full-time permanent	249	259	231
11.5	Other personnel compensation	100	104	92
11.9	Total personnel compensation	20,777	21,591	19,251
12.1	Personnel benefits: Civilian	2,674	2,806	2,503
13.0	Benefits for former personnel	5	7	5
21.0	Travel and transportation of persons	1,688	1,933	1,568

22.0	Transportation of things	53	57	45
23.3	Communications, utilities, and miscella-		•	
	neous charges	982	1,001	950
24.0	Printing and reproduction	328	340	295
25.0	Other services	1,161	2,447	1,422
26.0	Supplies and materials	197	227	166
31.0	Equipment	335	395	150
44.0	Refunds	2		
99.0	Subtotal, direct obligations	28.202	30.804	26,355
99.0	Reimbursable obligations	214	256	260
99.9	Total obligations	28,416	31,060	26,615
	Personnel Sumn	nary		
	number of full-time permanent positions compensable workyears: Full-time equivalent	580	618	555
	ployment	598	600	535

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	dentification code 12-3100-6-1-271		1986 est.	1987 est.
P 10.00	rogram by activities: Total obligations		<b>—1,325</b>	
F 40.00	inancing: Budget authority (appropriation)		<b>—1,325</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-1,325	
72.40	Obligated balance, start of year			-95
74.40	Obligated balance, end of year		95	
90.00	Outlays		-1.230	_9

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

## SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-3100-2-1-271	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations			
F 14.00	inancing: Offsetting collections from: Non-Federal			
14.00	Sources			21,750
40.00	Budget authority (appropriation)			<b> 21,750</b>
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			-21,750
74.40	Obligated balance, end of year			1,720
90.00	Outlays			- 20,030

Legislation will be proposed to charge an upfront fee of 5 percent on direct loans which will be used to finance this activity.

# [REIMBURSEMENT TO THE RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND]\*

\*See Part II for additional information.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

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#### General and special funds-Continued

REIMBURSEMENT TO THE RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND —Continued

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3101-0-1-271	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations (object class 33.0)	215,964	100,000	
40.00	inancing: Budget authority (appropriation)	215,964	100,000	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	215,964	100,000	
90.00	Outlays	215,964	100,000	•••••

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	(lars)		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	215,964	100,000	
Outlays	215,964	100,000	
Rescission proposal:	•	·	
Budget authority		-100,000	
Outlays		-100,000	
•		<del></del>	
Total:			
Budget authority	215,964		
Outlays	215,964	•••••	

This appropriation reimburses the rural electrification and telephone revolving fund for interest subsidies and losses which, by law, are not incurred by the revolving fund.

This fund has not incurred a loss since its inception in 1973, because it is exempted by the Act from paying \$307 million in annual interest costs to the Treasury on advances totaling \$7.9 billion. Rural electric and telephone direct loans have actually cost the Federal Government over \$1.8 billion in interest subsidies and losses since 1973. However, these costs have been sustained by the Treasury, not by the revolving fund. Therefore, no appropriation is requested for 1987, and a rescission is proposed for 1986.

#### PURCHASE OF RURAL TELEPHONE BANK CAPITAL STOCK\*

\*See Part II for additional information.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3102-0-1-452	1985 actual	1986 est.	1987 est.
P 10.00	rogram by activities: Total obligations (object class 33.0)	30,000	30,000	
F 40.00	inancing: Budget authority (appropriation)	30,000	30,000	
	elation of obligations to outlays:			
71.00	Obligations incurred, net	30,000	30,000	•••••
90.00	Outlays	30,000	30,000	

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]					
Enacted/requested:	1985 actual	1986 estimate	1987 estimate		
Budget authority	30,000	30,000			

Outlays  Reduction pursuant to P.L. 99–177:	30,000	30,000	•••••
Budget authority		1.290	
Outlays		-1,290	
Rescission proposal:			
Budget authority		28,710	
Outlays		- 28,710	
Total:			
Budget authority	30,000		
Outlavs	30,000		

The Rural Electrification Act of 1936, as amended, authorizes appropriations for the purchase of Class A stock in the Rural Telephone Bank by the U.S. Government.

No appropriation is requested for 1987. The Federal Government has already provided \$450 million in low-cost capital to the Bank—\$140 million over the amount in the original statute establishing the Bank. Avoiding further appropriations through 1991 when the current authorization expires would save the Treasury about \$30 million in interest over the next four years and about \$250 million in interest for the life of these capital loans. The Bank can instead borrow from private credit markets or from the Treasury at a rate of interest equivalent to Treasury's cost of borrowing. By contrast, this appropriation would provide capital to the Bank with a 2 percent rate of return, the difference between 2 percent and Treasury's rates being borne by the U.S. taxpayer. A rescission is proposed for 1986.

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3102-6-1-452	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>— 1,290</b>	
40.00	inancing: Budget authority (appropriation)		<b>— 1,290</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-1,290	
90.00	Outlays		<b>—1,290</b>	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Public enterprise funds:

#### RURAL COMMUNICATION DEVELOPMENT FUND

To reimburse the Rural Communication Development Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in making Community Antenna Television loans and loan guarantees under Sections 306 and 310B of the Consolidated Farm and Rural Development Act, as amended, \$1,591,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identification Code 12-4142-0-3-452	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Interest on borrowings (total obligations) (object class 43.0)	3,086	3,042	3,176

14.00	inancing: Offsetting collections from: Non-Federal			
17.00	Recovery of prior year obligations	-2,245 -14	-1,394	1,585
25.00	Unobligated balance lapsing	14		
39.00	Budget authority	841	1,648	1,591
В	udget authority: Current:			
40.00 40.00	AppropriationReduction pursuant to P.L. 99–190	841	1,203 — 7	1,591
43.00	Appropriation (adjusted) Permanent:	841	1,196	1,591
67.10	Authority to borrow (7 U.S.C. 1929a(d)) (indefinite)		452	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	841	1,648	1,591
72.47	Authority to borrow	8,582	3,695	1,690
72.98	Fund balance	73	119	118
74.47	Authority to borrow	-3,695	-1,690	11
74.98	Fund balance	-119	-118	-118
78.00	Adjustments in unexpired accounts	-14		
90.00	Outlays	5,668	3,654	3,292
	Status of Direct Loans (in t	housands of	dollars)	
C	umulative balance of direct loans out- standing:			
1210	Outstanding, start of year	16,909	18,938	20,535
1231	Disbursements: Direct loan disbursements	4,739	2,004	1,701
1251	Repayments: Repayments and prepayments	-1,178	<b>— 407</b>	<b>— 529</b>
1262	Adjustments: Write-offs for default			
1290	Outstanding, end of year	18,938	20,535	21,707
	Status of Guaranteed Loans (in	n thousands o	of dollars)	
C	umulative balance of guaranteed loans outstanding:			
2210 2231	Outstanding, start of year	3,768	5,558	10,082
0051	guaranteed loans	2,788	4,611	110
2251	Repayments: Repayments and prepayments	<u>-998</u>	<u>-87</u>	-118
2290	Outstanding, end of year	5,558	10,082	9,964
	MEMORANDUM			
2299	U.S. contingent liability for guaranteed loans outstanding, end of year	5,558	10,082	9,964

The Rural Development Insurance Fund was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419) approved August 30, 1972, to make community facility and business and industrial loans and guaranteed loans to both profit and nonprofit organizations.

The Rural Communication Development Fund, an account under the Rural Development Insurance Fund authorities, was established pursuant to Secretary's Memorandum No. 1988 approved May 22, 1979. This memorandum transferred certain financing authorities under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from the Farmers Home Administration to the Rural Electrification Administration for the purpose of financing and administering community antenna television services or facilities in rural areas. Funding is required for losses from operation of the program.

Revenue	and	Expense	(in	thousands	of	dollars)	
---------	-----	---------	-----	-----------	----	----------	--

	1985 actual	1986 est.	1987 est.
Operating income or loss (—):			
Revenue	1,067	987	1,056
Expense	<b>-4,082</b>	3,049	3,175
Net loss for the year	<b>— 3,015</b>	<b>— 2,062</b>	-2,119

#### Financial Condition (in thousands of dollars)

Financial Condition (in thousands of dollars)					
	1984 actual	1985 actual	1986 est.	1987 est.	
Assets:					
Fund balance	73	119	118	118	
Loans receivable (net)	16,909	18,938	20,535	21,707	
Accounts receivable (net)	420	1,309	1,463	1,499	
Total assets	17,402	20,366	22,116	23,324	
Liabilities:					
Debt issued under borrowing authority:					
Borrowings from Treasury	18,361	23,233	25,689	25.966	
Accounts payable (net)	1,085	1,350	1,503	1,538	
Total liabilities	19,446	24,583	27,192	27,504	
Government equity:					
Undelivered orders	8,526	3,773	1,769	68	
Unfinanced budget authority:					
Borrowing authority	<b> 9,117</b>	-3,694	-1,690	11	
Invested capital	1,452	-4,296	5,155	- 4,259	
Total Government equity	-2,043	<b>— 4,217</b>	<b>—</b> 5,076	4,180	
Analysis of changes in Government e Retained income or loss (—):	quity:				
Opening balance		-2,043	-4,217	<b>−5,076</b>	
Transactions: Net operating loss		-3,015	-2,062	-2,119	
Appropriation to meet deficit		841	1,203	3,015	
Closing balance		<u>-4,217</u>	_5,076	4,180	
Total Government equity (end o	f year)	<u>-4,217</u>			

# Rural Electrification and Telephone Revolving Fund Loan Authorizations

During fiscal year 1987, gross obligations for the principal amount of direct loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall not exceed \$435,000,000 Provided, That rural electrification loans shall not exceed \$375,000,000 and rural telephone loans shall not exceed \$60,000,000. During fiscal year 1987, commitments to guarantee loans pursuant to section 306 of said Act may be made only to the extent that the total electrification loan principal, any part of which is to be guaranteed, shall not exceed \$225,000,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	tion code 12-4230-0-3-271	1985 actual	1986 est.	1987 est.
	Program by activities: Operating expenses:			
00.01	Interest expense on certificates of beneficial ownership 1 Interest on interim borrowings	405,418 3,459	412,200	440,300
00.91	Total operating expenses	408,877	412,200	440,300
01.01 01.02	Capital investment: Rural electrificationRural telephone	562,029 224,589	937,971 297,117	375,000 60,000

#### Public enterprise funds-Continued

# RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN AUTHORIZATIONS—Continued

Program and Financing (in thousands of dollars) -- Continued

Identifica	tion code 12-4230-0-3-271	1985 actual	1986 est	1987 est.
01.91	Total capital investment	786,618	1,235,088	435,000
10.00	Total obligations	1,195,495	1,647,288	875,300
F	inancing:			
	Offsetting collections from:			
11.00	Reimbursement to the RETRF	<b>— 215,964</b>	-100,000	
11.00	CBO sales and repurchases	<b>— 187,600</b>	-326,800	<b>— 75,900</b>
14.00	Non-Federal sources	<b> 952,809</b>	-1,004,800	1,035,970
17.00	Recovery of prior year obligations	-32,601		
21.98	Unobligated balance available,			
	start of year: Fund balance	-21,706	335,088	-119,400
24.98	Unobligated balance available, end			
	of year: Fund balance	335,088	119,400	355,970
25.00	Unobligated balance lapsing	32,601		
67.10	Authority to borrow (per-			
01.10	manent, indefinite) (7			
	U.S.C. 934)	152,504		
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	160,878	215,688	-236,570
	Obligated balance, start of year:			
72.47	Authority to borrow	2,372,122	2,178,643	2,395,678
72.98	Fund balance	2,786	1,347	
	Obligated balance, end of year:			
74.47	Authority to borrow	<b> 2,178,643</b>	<b> 2,395,678</b>	-2,159,108
74.98	Fund balance	-1,347		
78.00	Adjustments in unexpired accounts	-32,601		
90.00	Outlays	1,439		

Includes interest received by REA as trustee for holders of certificates of beneficial ownership in the following amounts: 1985, \$130,395 thousand; 1986, \$139,194 thousand, and 1987, \$155,574 thousand.

Status of Direct Loans (in thousands of dollars)

dentifica	tion code 12-4230-0-3-271	1985 actual	1986 est.	1987 est.
F	Position with respect to appro- priations act limitation on obligations:			
1111	Limitation on direct loans to the public <sup>1</sup>	1,121,706	1,235,088	435,000
1112	Unused balance of direct loan limi-	-,,. 00	2,200,000	100,000
1132	tation expiring <sup>2</sup>	— 335,088		
	Defaulted guaranteed loan			
	claims 3	951,329		
1150	Total direct loan obligations	1,737,947	1,235,088	435,00
(	Cumulative balance of direct loans outstanding:			
1210 1231	Outstanding, start of year Disbursements: Direct loan dis-	10,163,119	10,236,742	10,199,54
	bursements	797,139	750,000	500,000
	Repayments:	,	,	,
1251	Repayments and prepayments	<b>—440,077</b>	-460,400	<b>—474,00</b> 0
1253	Loan asset sales to the public			<b>—70,00</b>
1254	Loan asset sales to the FFB	<i></i> 187,600	326,800	<b>—75,90</b>
1264	Other adjustments, net 3	<b>— 95,839</b>		-30,00

<sup>&</sup>lt;sup>1</sup> Fiscal year 1985 includes a \$21,706 thousand carryover from 1984; fiscal year 1986 includes a \$335,088 thousand carryover from 1985.

#### Status of Guaranteed Loans 1 (in thousands of dollars)

Identifica	tion code 12-4230-0-3-271	1985 actual	1986 est.	1987 est.
C	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year Disbursements:	909,572	1,044,789	1,172,789
2231	Disbursements of new guaran- teed loans	147,000	140,000	140,000
2251	Repayments: Repayments and pre- payments	—11,854	<b>—12,000</b>	<b>—12,000</b>
2264	Adjustments: Other adjustments, net	71		
2290	Outstanding, end of year	1,044,789	1,172,789	1,300,789
	MEMORANDUM			
2299	U.S. contingent liability for guaral loans outstanding, end of year		89 1,172,789	1,300,789

<sup>&</sup>lt;sup>1</sup> Loans that are guaranteed by REA and disbursed by the Federal Bank are shown in the REA, FFB direct loan schedule. Limitations enacted or proposed on these loans are as follows: 1985, \$1,325,000 thousand; 1986, \$975,000 thousand; and 1987, \$225,000 thousand.

The Rural Electrification Administration conducts two loan programs: (1) The rural electrification program and (2) the rural telephone program.

Direct electric and telephone loans from the Rural Electrification and Telephone Revolving Fund (RETRF) bear interest at a 5 percent rate. Some loans may be made at a lesser rate. RETRF loans must be repaid within a period not to exceed 35 years. REA also guarantees loans made directly by the Government through the Federal Financing Bank (FFB) or by other qualified lenders at rates agreed upon by the lender and the borrower.

Loans from the RETRF are financed from available receipts or, when necessary, by interim Treasury borrowings. Loans made from the RETRF are held in a pool as security for certificates of beneficial ownership (CBO's) which are sold to investors.

Rural electrification.—This loan program is financed through REA direct and guaranteed loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems. Electric demand growth as well as demand for REA direct and guaranteed loans have dropped sharply over the past several years. The reduction in the 1987 loan level from 1986 reflects an expected decline in loan demand.

STATUS OF THE ELECTRIFICATION PROGRAM—ELECTRIFICATION LOAN LEVELS

[In thousands of do	llars)		
Loan level:  Direct loansREA loan guarantee commitments	1985 actual 562,029 74,607	1986 estimate 650,000 850,000	1987 estimate 375,000 225,000
Subtotal, direct loans and loan guarantee commitments Non-REA without guarantee commitments	636,636 2,135,599	1,500,000 850,000	600,000 600,000
Total, electrification program	2,772,235	2,350,000	1,200,000
PROGRAM STAT	ISTICS		
[Oollars in thousan	nds]		
Cumulative net loans	1985 actual 18,607,068 16,960,119	1986 estimate 19,257,068 17.585,119	1987 estimate 19,632,068 17.985,119

1.646.949

5,760,288

4,544,541

1.671.949

6,108,442

5.094,870

1.700.862

6,466,881

5,545,321

34,072,594

Unadvanced funds, end of year .....

Cumulative principal repaid.....

Cumulative interest paid 1 .....

<sup>&</sup>lt;sup>2</sup> Includes \$335,088 thousand carried forward to 1986.

<sup>&</sup>lt;sup>3</sup> Represents amount of principal discounted due to sale of loan assets.

umulative consumers served—calendar year (thousands—estimated) <sup>2</sup> umulative miles energized—calendar year (thou-	11,172	11,506	11,840
sands—estimated) <sup>2</sup> lumber of borrowers	2,109 993	2,135 993	2,160 993
Includes interest received by REA as trustee for holders of certifica     Data represents accomplishments from all sources of funds.	ites of beneficial o	wnership.	
Rural telephone.—This loan hrough REA direct and guara struction, expansion, acquisition bhone lines and facilities or sys	nteed lo	ans for	the con-
STATUS OF THE TELEPHONE PROGRAM		NE LOAN LE	VELS
oan level:	1985 actual	1986 estimate	1987 estimate
Direct loans	224,589	297,117 125,000	60,000
Subtotal, direct loans and loan guarantee			
commitments	224,589 167,773	422,117 185,000	60,000 139,000
Total, telephone program	392,362	607,117	199,000
PROGRAM STATI			
[Dollars in thousan	ds] 1985 actual	1986 estimate	1987 estimate
umulative net loans	4,938,185	5,235,302	5,295,302
umulative funds advanced	4,099,288	4,224,288	4,324,288
nadvanced funds, end of period	838,897	1,011,014	971,014
mulative principal repaid	1,242,194	1,354,440	1,470,001
mulative interest paid 1	983,934	1,108,400	1,219,849
Imulative loan guarantee commitments <sup>3</sup>	679,454	804,454	804,454
proved—(thousands—estimated) 2umulative dial subscribers, new and improved service—calendar year (thousands—estimat-	884	903	920
ed) 2	4,880	5,002	5,125
umber of borrowers	1,006	1,023	1,031
Includes interest received by REA as trustee for holders of certifica     Data represents accomplishments from borrowers financed 20     FFB and other lenders.      Revenue and Expense (in the	0% or more by	REA, RTB, and	guaranteed loans.
	1985 actual	1986 est.	1987 est.
t t			
		105 000	40C 22C
lnterest earned on loans to borrowers <sup>1</sup>	382,336	405,206	406,326
perating income or loss (—): Interest earned on loans to borrowers <sup>1</sup> Expense <sup>2</sup>	382,336 —972,427	405,206 — 708,937	— 721,749

<sup>\$130,395</sup> thousand, 1986, \$139,194 thousand, and 1987, \$155,574 thousand.

2 includes imputed Treasury costs paid without reimbursement in the following amounts: 1985, \$307,164 thousand; 1986, \$307,164 thousand; and 1987, \$307,164 thousand; and 1987, \$307,164 thousand.

# Financial Condition (in thousands of dollars)

	1984 actual	1985 actual	1986 est.	1987 est.
Assets:				
Selected assets:				
Fund balance with				
Treasury	2,786	1,347		
Accounts receivable				
(net)	58,220	1,310,479	1,527,929	1,699,429
Loans receivable (net)	10,131,240	9,818,084	9,652,116	9,472,356
Other assets (net)	390,000	420,000	450,000	450,000
Total assets	10,582,246	11,549,910	11,630,045	11,621,785
Liabilities:				
Selected liabilities:				
Accounts payable to				
the public	1	53,298		

Long-term notes			
payable to Treas- ury	8,816,070	8,816,070	8,816,070
Total liabilities 7,864,743	8,869,368	8,816,070	8,816,070
Government equity:			
Selected equities:			
Unexpended budget			
authority: Unde- livered orders			
(unadvanced			
loans)	2,485,846	2,970,934	2,905,934
Unfinanced budget	_,,	_,0,0,00.	_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
authority: Financ-			
ing authority $-2,467,961$	<b>— 2,370,319</b>	<b> 2,587,354</b>	<b>— 2,350,853</b>
Invested capital 2,656,496	2,565,014	2,430,395	2,250,634
Total Government			
equity — 2,717,503	-2,680,541	<b> 2,813,975</b>	-2,805,715
Analysis of changes in Government equity:			
Paid-in capital:			
Opening balance	2,573,462	3,126,590	3,563,754
Transactions:	-,,	-,,	-,,
Appropriation to RETRF for interest			
subsidies and losses	215,964	100,000	
Rural Telephone Bank Class A	20.000	20.000	
stock Treasury contribution: costs paid	30,000	30,000	••••••
without reimbursement	307,164	307,164	307,164
Closing balance	3,126,590	3,563,754	3,870,918
Retained income:			
Opening balance	144,043	-446,048	<b>—749,779</b>
Transactions: Net income	<b>- 590,091</b>	-303,731	-315,424
Closing balance	-446,048		-1,065,203
ŭ .			
Total Government equity (end of year)	2,680,542	2,813,975	2,805,715
year /	2,000,042		2,000,710

# Object Classification (in thousands of dollars)

Identifica	tion code 12-4230-0-3-271	1985 actual	1986 est.	1987 est.
33.0 43.0	Investments and loans	786,618 408,877	1,235,088 412,200	435,000 440,300
99.9	Total obligations	1,195,495	1,647,288	875,300

# Reduction Pursuant to Public Law 99-177

Identificat	tion code 12-4230-6-3-271	1985 actual	1986 est.	1987 est.
	rogram by activities:		20 700	
10.00	Total obligations	***************************************	— 38,700	
F	inancing:			
21.98	Unobligated balance available,			
	start of year: Fund balance			— 38,700
24.98	Unobligated balance available, end		20.700	20.700
	of year: Fund balance		38,700	38,700
40.00	Budget authority (appro-			
	priation)	***************************************	••••••	
R	Relation of obligations to outlays:			
71.00	Obligations incurred, net		- 38,700	
72.47	Obligated balance, start of year:			
	Authority to borrow			— 38,700
74.47	Obligated balance, end of year:		20.700	20.700
	Authority to borrow		38,700	38,700
90.00	Outlays			

Public enterprise funds-Continued

Rural Electrification and Telephone Revolving Fund Loan Authorizations—Continued

#### Reduction Pursuant to Public Law 99-177-Continued

#### Status of Direct Loans (in thousands of dollars)

Identifica	tion code 12-4230-6-3-271	1985 actual	1986 est.	1987 est.
F 1111	Position with respect to appro- priations act limitation on obligations: Limitation on direct loans to the			
	public		38,700	
1150	Total direct loan obligations		_38,700	
(	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year			-8,127
1231	Disbursements: Direct loan dis- bursements		-8,127	- 10,836
1290	Outstanding, end of year		-8.127	-18.963

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

Rural Electrification and Telephone Revolving Fund Loan Authorizations

(Proposed for later transmittal, proposed legislation)

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-4230-2-3-271	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Operating expenses:			
00.01	Interest expense on certificates of bene-			
	ficial ownership			-5,500
10.00	Total obligations (abiant along 42.0)			
10.00	Total obligations (object class 43.0).			<b></b> 5,500
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds			75,900
14.00	Non-Federal sources			-183,600
24.98	Unobligated balance available, end of year:			
	Fund balance			113,200
39.00	Budget authority			
33.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			-113.200
74.47	Obligated balance, end of year: Authority			,
	to borrow			113,200
90.00	Outlays			

Legislation will be proposed to end the subsidy on REA direct loans by increasing the interest rate from 5 percent to the cost of Treasury borrowing plus 1½ percent. Also included is an annual fee assessed on all REA electric loan borrowers to recover defaulted loan repayments of guaranteed electrification loans.

#### Status of Direct Loans (in thousands of dollars)

Identificat	tion code 12-4230-2-3-271	1985 actual	1986 est.	1987 est.
1210 1254	cumulative balance of direct loans out- standing: Outstanding, start of year Repayments: Loan asset sales to the FFB			75,900
1290	Outstanding, end of year	***************************************		75,900

# RURAL ELECTRIFICATION ADMINISTRATION, FFB DIRECT LOANS

#### Program and Financing (in thousands of dollars)

Identification code 12-7002-0-4-271		1985 actual	1986 est.	1987 est.
P	Program by activities:			
10.00	Object class 33.0)	2,062,759	2,020,000	1,815,000
F	inancing:			
14.00 31.00	Offsetting collections from: Non- Federal sources Redemption of debt	974,396 974,396	-1,300,000 1,300,000	500,000 500,000
			1,300,000	300,000
67.10	Budget authority (author- ity to borrow) (perma- nent, indefinite) (12			
	U.S.C. 2281–96)	2,062,759	2,020,000	1,815,000
R	Relation of obligations to outlays:			
71.00	Obligations incurred, net	1,088,363	720,000	1,315,000
90.00	Outlays	1,088,363	720.000	1,315,000

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#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

#### [In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	2,062,759	2,020,000	1,815,000
Outlays	1,088,363	720,000	1,315,000
Reduction pursuant to P.L. 99-177:			
Budget authority		-1,462	-11,000
Outlays			
Total:			
Budget authority	2,062,759	2,018,538	1,804,000
Outlays	1,088,363	718,538	1,304,000

Outlays		1,088,3	63 718,538	1,304,000
	Status of Direct Loans	(in thousands	of dollars)	
Identifica	ition code 12-7002-0-4-271	1985 actual	1986 est.	1987 est.
	Position with respect to appro- priations act limitation on obligations:			
1111	Limitation on direct loans to the public	1,325,000	975,000	225,000
1131	Obligations exempt from limitation: Direct loans to the public	737,759	1,045,000	1,590,000
1150	Total direct loan obligations	2,062,759	2,020,000	1,815,000
(	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	20,587,093	21,675,456	22,395,456
1231	Disbursements: Direct loan dis- bursements	2,062,759	2,020,000	1,815,000
1251	Repayments: Repayments and pre- payments	<b>— 974,396</b>	<b>— 1,300,000</b>	<b>– 500,000</b>
1290	Outstanding, end of year	21,675,456	22,395,456	23,710,456

Note.—Loans guaranteed by REA and disbursed by the FFB are shown as FFB direct loans in this schedule. However, the limitation enacted or proposed to be enacted in appropriations acts applies to the guaranteed loan commitments of the originating agency. The amounts of those guaranteed loan commitments reflected in this schedule and subject to such limits are \$1,325,000 thousand in 1985, \$975,000 thousand in 1986, and \$225,000 thousand in 1987.

The activity in this account reflects loans that are guaranteed by REA and disbursed by the Federal Financing Bank. These loans are attributed to the originating agency consistent with the Balanced Budget and Emergency Deficit Control Act of 1985.

Reduction Pursuant to P	Public I ow	00 177			
Program and Financing (in thousands of dollars)					
Identification code 12–7002–6–4–271	1985 actual	1986 est.	1987 est.		
Program by activities: 10.00 Total obligations		—1,462	—11,000		
47.10 Budget authority (authority to borrow) (permanent, indefinite) (12 U.S.C. 2281-96)		<b>—1,462</b>	<b>—11,000</b>		
Relation of obligations to outlays: 71.00 Obligations incurred, net		-1,462	-11,000		
90.00 Outlays		<b>—1,462</b>	-11,000		
Status of Direct Loans (in	thousands of	dollars)			
Identification code 12-7002-6-4-271	1985 actual	1986 est.	1987 esi.		
Position with respect to appropriations act limitation on obligations:					
Limitation on direct loans to the public 1131 Obligations exempt from limitation: Direct		<b>— 41,925</b>	***************************************		
loans to the public		40,463			
1150 Total direct loan obligations		-1,462			
Cumulative balance of direct loans out- standing:					
Outstanding, start of year		—1,462			
1290 Outstanding, end of year		-1,462	-12,462		

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# Rural Electrification Administration, FFB Loan Asset Purchases

Program	and	Financing	(in	thousands	of	dollars)	)
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Identificat	lentification code 12-7102-0-4-271		1986 esl.	1987 est.
Р	rogram by activities:			
10.00	Loan asset purchases (total obligations) (object class 33.0)	378,600	326,800	75,900
F	inancing:	,		
11.00	Offsetting collections from: Federal sources	-191,000		
31.00	Redemption of debt	191,000		
67.10	Budget authority (authority to borrow) (permanent, indefinite)			
	(12 U.Ś.C. 2281–96)	378,600	326,800	75,900
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	187,600	326,800	75,90
90.00	Outlays	187,600	326,800	75,90

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

ars]		
1985 actual	1986 estimate	1987 estimate
378,600	326,800	75,900
187,600	326,800	75,900
		<b></b> 75,900
		<b>—75,900</b>
270 000	225 900	
3/8,600	320,800	
	378,600 187,600	ars] 1985 actual 1986 estimate 378,600 326,800 187,600 326,800

Outla	ıys	187,600	326,800	
	Status of Direct Loans (in	thousands of	dollars)	
Identificali	on code 12-7102-0-4-271	1985 actual	1986 esl.	1987 est.
Cı	umulative balance of direct loans out- standing:			
1210	Outstanding, start of year	3,536,707	3,724,307	4,051,107
1231	Disbursements: Direct loan disbursements	378,600	326,800	75,900
1251	Repayments: Repayments and prepayments	<b>— 191,000</b>		
1290	Outstanding, end of year	3,724,307	4,051,107	4,127,007

The activity in this account reflects the certificates of beneficial ownership (CBOs) that are purchased by the Federal Financing Bank in order to finance REA's direct lending program. These loan asset financing transactions are attributed to the originating agency consistent with the Balanced Budget and Emergency Deficit Control Act of 1985.

# RURAL ELECTRIFICATION ADMINISTRATION, FFB LOAN ASSET PURCHASES

(Proposed for later transmittal, proposed legislation)

#### Program and Financing (in thousands of dollars)

Identifical	ion code 12-7102-2-4-271	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations (object class 33.0)			—75,900
	inancing: Authority to borrow			<b> 75,90</b> 0
71.00	elation of obligations to outlays: Obligations incurred, net			<b>— 75,90</b> 0
90.00	Outlays			<b>— 75,900</b>

#### Status of Direct Loans (in thousands of dollars)

1290	Outstanding, end of year	,	 <b>—75,900</b>
1231	Disbursements: Direct loan disbursements		 <u> 75,900</u>
1210	Outstanding, start of year		 

Legislation will be proposed to end the interest subsidy on REA loans by raising the interest rate to Treasury plus 1½ percent from the current rate of 5 percent. Also included are the effects of REA's proposed "Fee for Losses" assessed on electric borrowers to recover defaulted loan repayments of guaranteed electric loan borrowers. As a result, fewer CBO's will be sold to the FFB.

# RURAL TELEPHONE BANK

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During 1987, and within the resources and authority available, gross obligations for the principal amount of direct loans shall be not more than \$139,000,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

## Public enterprise funds-Continued

#### RURAL TELEPHONE BANK-Continued

#### Program and Financing (in thousands of dollars)

Identifica	Identification code 12-4231-0-3-452		1986 est.	1987 est.
P	rogram by activities:			
	Operating expenses:			
00.01	Administrative expenses	28	150	150
00.02	Interest expense	74,452	77,183	77,924
00.03	Dividends	138	138	138
00.91	Total operating expenses	74.618	77.471	78,212
01.01	Capital investment loans	167,773	185,000	139,000
10.00	Total obligations	242,391	262,471	217,212
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	— 30 <b>,</b> 072	<b>— 30,065</b>	<b>—</b> 57
14.00	Non-Federal sources	— 122,661	131,943	— 170,39a
17.00	Recovery of prior year obligations	<u> — 19,442 </u>		
25.00	Unobligated balance lapsing	19,442		
27.00	Capital transfer to general fund	7,966	9,000	9,600
67.10	Budget authority (authority to			
	borrow) (permanent, indefinite) (7 U.S.C. 901-950(b))	97,625	109,463	56,357
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	89,658	100,463	46,757
	Obligated balance, start of year:			
72.47	Authority to borrow	581,127	652,026	715,90
72.98	Fund balance	17,018	23,997	23,99
	Obligated balance, end of year:			
74.47	Authority to borrow	<b>— 652,026</b>	<b></b> 715,904	<b>— 805,53</b>
74.98	Fund balance	- 23,997	<b>— 23,999</b>	-1,74
78.00	Adjustments in unexpired accounts	-19,442		
90.00	Outlays	-7,660	36,583	- 20,62

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of de	ollars]		
Enacted/requested:	1985 actual	1986 estimate	1987 estimate
Budget authority Outlays	97,625 — 7,660	109,463 36,583	56,357 —20,622
Reduction pursuant to P.L. 99–177: Budget authority Outlays		-7,955 -1,236	
Total:			
Budget authority	97,625	101,508	56,357
Outlays		35,347	<u>- 22,133</u>
Status of Direct Loans (in	thousands of	dollars)	

Outi	ays	— /,bbU	35,347	<u>- 22,133</u>
	Status of Direct Loans (in t	thousands of	dollars)	
Identificat	tion code 12-4231-0-3-452	1985 actual	1986 est.	1987 est.
P	osition with respect to appropriations act limitation on obligations:			
1111 1112	Limitation on direct loans to the public Unused balance of direct loan limitation	185,000	185,000	139,000
	expiring	_17,227		
1150	Total direct loan obligations	167,773	185,000	139,000
C	umulative balance of direct loans out- standing:			
1210	Outstanding, start of year	1,327,432	1,382,655	1,455,003
1231	Disbursements: Direct loan disbursements Repayments:	72,583	90,000	90,000
1251	Repayments and prepayments	-17,360	-17,652	-19,342
1253	Loan asset sales to the public			<b>-48,000</b>
1264	Adjustments: Other adjustments, net 1		***************************************	52,000
1290	Outstanding, end of year	1,382,655	1,455,003	1,425,661

<sup>1</sup> Represents amount of principal discounted due to sale of loan assets.

The Rural Telephone Bank (RTB) provides a supplemental source of financing for the REA telephone loan program. The bank charges an interest rate based on the average cost of money to the bank, but not less than 5 percent per annum. The weighted average interest rate on cumulative loans through September 30, 1985, was 8.29 percent. During the first quarter of 1986, loans were made at 9.0 percent interest.

Equity capital of the bank consists of class A stock purchased by the United States, classes B and C stock purchased by bank borrowers, organizations eligible to become borrowers and organizations controlled by borrowers, and retained earnings. The maximum borrowing authority of the bank by law is limited to 20 times its paid-in capital and retained earnings. Total available borrowing authority of the bank for 1986 is estimated at \$12.4 billion. For 1987, it is estimated at \$13.0 billion.

Administrative support for the general operations of the bank are provided on a part-time basis by REA employees and the Office of the General Counsel, without cost to the bank, as provided for in the enabling legislation. Certain administrative expenses, such as expenses of the elected members of the Board of Directors, postage fees and the audit by the General Accounting Office, must be borne by the bank.

Bank loans totaled \$168 million in 1985. After almost 13 years in operation, loans to 572 borrowers have been approved, totaling over \$2.141 billion. Telephone bank loans are estimated at \$185 million for 1986 and \$139 million for 1987.

#### BUDGET AUTHORITY, OBLIGATIONS, AND BALANCES

[In thousands of do	lars]		
Budget authority: Borrowing authority (program and financing	1985 actual	1986 estimate	1987 estimate
schedule)	97,624	109,463	56,357
New budget authority Other funds available Less return on class A stock	97,624 152,733 —7,966	109,463 162,008 — 9,000	56,357 170,398
Total budgetary resources	242,391	262,471	217,155
Obligations:			
Loans approved Expenses and C stock dividends	167,773 74,618	185,000 77,471	139,000 78,212
Total	242,391	262,471	217,212
BORROWING AUT	HORITY		
[In thousands of dol	lars]		
	1985 actual	1986 estimate	1987 estimate
Available start of year	10,278,942	11,246,693	12,425,728
Increase 1	1,045,933	1,288,520	688,820
Encumbered	<b> 97,624</b>	-109,463	<b>— 56,357</b>
Recovery of prior obligations	19,442		
Available end of year	11,246,693	12,425,750	13,058,191
Computed in accordance with sec. 407 of the Rural Electrification	Act of 1936 as am	ended:	
A stock	30,000 13,121	30,000 17,621	22,121
C stockRetained earnings	9,176	16,805	12,320
TotalStatutory borrowing authority rate	52,297 ×20	64,426 ×20	34.441 ×20

1,288,520

688,820

Note.-Totals may not add due to rounding

Maximum borrowing authority during year.

DEPARTMENT OF AGRICU	LTURE			RURAL ELECTRIFICATION AD	MINISTRATION—Continued Federal Funds—Continued I—E			
	RAM STAT				Retained income: Opening balanceTransactions:	68,014	77,190	93,995
Cumulative net loans		1985 actual 2,141,440 1,476,094 665,346 93,439 645,048	2,326,440 1,566,094 760,346 111,091 754,839	1987 estimate 2,465,440 1,656,094 809,346 130,428 867,385	Balances of current operating and nonop- erating income transferred from Govern- ment equity	19,942 —10,628 —138 —77,190	30,064 13,121 138 93,995	34,579 — 22,121 — 138 — 106,315
Number of borrowers		572	595	620	Total privately owned equity	212,870	247,296	286,237
Revenue and Exp	oense (in th	nousands of d	ollars)		Government equity:			
		1985 actual	1986 est.	1987 est.	Paid-in capital: Opening balance Transactions: Appropriations	390,000 30,000	420,000 30,000	450,000
Operating income or loss (—):					Closing balance	420,000	450,000	450,000
Interest earned on loans to borrowers. Expenses		102,808 — 74,974	116,911 —77,912	122,804 — 78,682	Transactions: Transfer to miscellaneous receipts in Treas-	===		
Net operating income Nonoperating income: Interest earned on U.S. securities ( count less premium amortization).	net of dis-	27,834	38,999 65	44,122	ury for return on class A stock	7,966 27,834 74	9,000 38,999 65	— 9,600 44,122 57
Net income for the year		27,908	39,064	44,179	class A stock transferred to private equity	19,942	30,064	34,579
Figure 1.1 C. F	ition /in th-	usando of dell-	uro)		Closing balance			
Financial Cond	1984 actual	1985 actual	1986 est.	1987 est.	Total Government equity (end of year)	420,000	450,000	450,000
Assets:	1304 actual	1303 actual	1300 650.	1307 651.	Object Classification (in the	ousands of dol	llars)	
Selected assets: Fund balance with Treasury	15,835	23,064	23,066	814	Identification code 12-4231-0-3-452	1985 actual	1986 est.	1987 est.
U.S. securities	1,183 10,097 1,323,529	933 8,144 1,378,258	933 11,701 1,450,027	933 12,290 1,420,077	11.8 Personnel compensation: Special personal services payments	12 28	22 35	22 35
Total assets	1,350,644	1,410,400	1,485,727	1,434,114	ous charges	2 1	4	4
Liabilities: Selected liabilities: Accounts payable and other ac-					25.0 Other services	— 15 167,773 74,590	85 185,000 77,321	85 139,000 78,062
crued liabilities Debt issued under borrowing au- thority: Borrowing from Treas-	18,644	18,821	15,257	10,227	99.9 Total obligations	242,391	262,471	217,212
ury	751,424	758,709	773,174	792,151	Reduction Pursuant to P	ublic Law	99-177	
Total liabilities	770,068	777,530	788,431	802,378	Program and Financing (in	thousands of o	dollars)	
Fund equity: Government equity:					Identification code 12–4231–6–3–452	1985 actual	1986 est.	1987 est.
Selected equities: Undelivered orders: Undis- bursed loans Unfinanced budget authority:	589,598	665,346	760,346	809,346	Program by activities: 10.00 Total obligations Financing:		—7,955 <b>7.05</b> 5	
Undrawn authority to borrow	- 581,127 381,529	- 652,025 406,679	- 739,903 429,557	805,535 446,189	47.10 Budget authority (authority to borrow)  Relation of obligations to outlays:		-/,900	***************************************
Total Government equity	390,000	420,000	450,000	450,000	71.00 Obligations incurred, net		<b>—7,955</b>	
Private equity: Class B stock	120,829	133,950	151,571	173,692	to borrow		6,719	6,719 5,208
Class C stock Retained earnings	1,730 68,015	1,730 77,190	1,730 93,995	1,730 106,315	90.00 Outlays		-1,236	—1,511
Total private equity	190,574	212,870	247,296	281,737	Status of Direct Loans (in	thousands of	dollars)	
Total equity	580,574	632,870	697,296	731,737	Identification code 12–4231–6–3–452	1985 actual	1986 est.	1987 est.
Analysis of changes in equity: Privately owned equity: Paid-in capital: Opening balance		122,559	135,680	153,301	Position with respect to appropriations act limitation on obligations:			1507 ESt.
Transactions: Patronage refund—class B sto	ck	10,628	13,121	22,121	1111 Limitation on direct loans to the public		<u>-7,955</u>	***************************************
Stock sold: Class B		2,493	4,500	4,500	Total direct loan obligations  Cumulative balance of direct loans out-		7,955 	
Class C								

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Public enterprise funds-Continued

RURAL TELEPHONE BANK-Continued

Reduction Pursuant to Public Law 99-177-Continued

Status of Direct Loans (in thousands of dollars) - Continued

Identifica	tion code 12-4231-6-3-452	1985 actual	1986 est.	1987 est.
1231	Disbursements: Direct loan disbursements		-1,236	-1,511
1290	Outstanding, end of year		-1,236	_2,747

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

#### FARMERS HOME ADMINISTRATION

Federal Funds

General and special funds:

[RURAL WATER AND WASTE DISPOSAL GRANTS]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-2066-0-1-452	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations (object class 41.0)	128,988	116,637	
F	inancing:			
17.00	Recovery of prior year obligations	13,880		
21.40	Unobligated balance available, start of year	-2,435	-2,327	
24.40	Unobligated balance available, end of year	2,327		
39.00	Budget authority	115,000	114,310	
В	udget authority:			
40.00	Appropriation	115,000	115,000	
40.00	Reduction pursuant to P.L. 99-190		-690	
43.00	Appropriation (adjusted)	115,000	114,310	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	128,988	116,637	
72.40	Obligated balance, start of year	538,322	477,548	410,946
74.40	Obligated balance, end of year	<b>477,548</b>	<b>— 410,946</b>	<b>— 247,982</b>
78.00	Adjustments in unexpired accounts	13,880		
90.00	Outlays	175,882	183,239	162,964

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested: Budget authority Outlays Reduction pursuant to P.L. 99–177:	115,000 175,882	114,310 183,239	162,964
Budget authority		4,915 98	
Total:			
Budget authority Outlays	115,000 175,882	109,395 183,141	162,227

This grant program is authorized by subtitle A of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, public and quasi-public agencies, and certain Indian tribes to finance storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste

in rural areas. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project.

The major objectives of the rural water and waste disposal grant programs are: (1) to provide assistance to attain basic human amenities, (2) to alleviate health hazards, (3) to promote stability of rural areas by meeting the need for new and improved rural water and waste disposal systems, and (4) to meet national safe drinking water and clean water standards. In fiscal year 1987, communities will compete for funds for these purposes under programs provided through the Department of Housing and Urban Development's Community Development Block Grant program or receive assistance from commercial and state/local government sources.

#### **GRANT OBLIGATIONS**

	1985 actual	1986 estimate	1987 estimate
Number of grants	366	321	
Amount of grants (in thousands)	\$128,988	\$116,637	

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-2066-6-1-452	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>-4,915</b>	
40.00	inancing: Budget authority (appropriation)		<b>-4,915</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>-4,915</b>	
72.40	Obligated balance, start of year			4,817
74.40	Obligated balance, end of year		4,817	4,080
90.00	Outlays		<b>-98</b>	<b>—737</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

#### SALARIES AND EXPENSES

#### (INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1996), as amended; Title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490o), the Rural Rehabilitation Corporation Trust Liquidation Act (40 U.S.C. 440-444), for administering the loan program authorized by title III A of the Economic Opportunity Act of 1964 (Public Law 88-452), as amended; and such other programs for which Farmers Home Administration has the responsibility for administering, \$382,639,000, together with not more than \$3,000,000 of the charges collected in connection with the insurance of loans as authorized by section 309(A) of the Consolidated Farm and Rural Development Act, as amended, and section 517(i) of the Housing Act of 1949, as amended, or in connection with charges made on borrowers under section 502(a) of the Housing Act of 1949, as amended: Provided, That in addition, not to exceed \$1,000,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), to meet unusual or heavy workload increases: Provided further, That not to exceed \$500,000 of this appropriation may be used for employment under 5 U.S.C. 3109.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986:

Program and Financing (in thousands of dollars)						
Identificat	ion code 12-2001-0-1-452	1985 actual	1986 est.	1987 est.		
Р	rogram by activities:					
00.01 01.01	Direct program	350,194 625	377,945 635	386,639 635		
10.00	Total obligations	350,819	378,580	387,274		
F	inancing:					
11.00 25.00	Offsetting collections from: Federal funds Unobligated balance lapsing	-1,625 3,103	<b>-4,635</b>	<b>-4,635</b>		
39.00	Budget authority	352,297	373,945	382,639		
В	udget authority:					
40.00	Appropriation	352,297	375,297	382,639		
40.00	Reduction pursuant to P.L. 99-190		-2,252			
42.00	Transferred from other accounts		900			
43.00	Appropriation (adjusted)	352,297	373,945	382,639		
R	elation of obligations to outlays:					
71.00	Obligations incurred, net	349,194	373,945	382,639		
72.40	Obligated balance, start of year	36,613	44,096	44,727		
74.40	Obligated balance, end of year	<b>— 44,096</b>	<b>— 44,727</b>	<b>-45,411</b>		
77.00	Adjustments in expired accounts	-2,157				
90.00	Outlays	339,554	373,314	381,955		

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]					
	1985 actual	1986 estimate	1987 estimate		
Enacted/requested:					
Budget authority	352,297	373,945	382,639		
Outlays	339,554	373,314	381,955		
Reduction pursuant to P.L. 99–177:					
Budget authority		-16,041			
Outlays		-14,918	-1,123		
Total:					
Budget authority	352,297	357,904	382,639		
Outlays	339,554	358,396	380,832		

These moneys are used to administer the loan, guaranteed loan, and grant programs of the Farmers Home Administration. Activities include reviewing applications, servicing the loan portfolio and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

#### Object Classification (in thousands of dollars)

Identificat	tion code 12-2001-0-1-452	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	237,169	229,924	209,623
11.3	Other than full-time permanent	7,708	11,136	17,391
11.5	Other personnel compensation	3,805	3,980	3,436
11.9	Total personnel compensation	248,682	245,040	230,450
12.1	Personnel benefits: Civilian	33,964	34,561	33,885
13.0	Benefits for former personnel	881	873	911
21.0	Travel and transportation of persons	15,235	19,815	20,058
22.0	Transportation of things	1,620	1,558	1,877
23.2	Rental payments to others	9,257	12,226	12,324
23.3	Communications, utilities, and miscella-	·		
	neous charges	20,516	28,640	34,424
24.0	Printing and reproduction	4,369	4,094	4,932
25.0	Other services	9,388	23,135	37,149
26.0	Supplies and materials	3,322	4,374	6,385
31.0	Equipment	2,825	3,447	4,062
42.0	Insurance claims and indemnities	116	154	154
43.0	Interest and dividends	19	28	28
99.0	Subtotal, direct obligations	350,194	377,945	386,639

Reimbursable obligations	625	635	635
Total obligations	350,819	378,580	387,274
Personnel Summ	nary		
umber of full-time permanent positions	10,953	11,202	9,824
time equivalent employment	10,830	10,617	9,950
ours	94	100	90
	Personnel Summ  umber of full-time permanent positions ompensable workyears: time equivalent employment time equivalent of overtime and holiday	Total obligations	Total obligations

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	tion code 12-2001-6-1-452	1985 actual	1986 est.	1987 est.
	Program by activities: Total obligations		-16,041	
40.00	inancing: Budget authority (appropriation)		-16,041	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-16,041	
72.40	Obligated balance, start of year			-1,12
74.40	Obligated balance, end of year		1,123	
90.00	Outlays		-14.918	-1.12

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### [Rural Community Fire Protection Grants]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

ldentificat	ion code 12-2067-0-1-452	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations (object class 41.0)	3,234	3,230	
F	inancing:			
25.00	Unobligated balance lapsing	16		
39.00	Budget authority	3,250	3,230	
В	sudget authority:			
40.00	Appropriation	3,250	3,250	
40.00	Reduction pursuant to P.L. 99–190			
43.00	Appropriation (adjusted)	3,250	3,230	•
R	telation of obligations to outlays:			
71.00	Obligations incurred, net	3,234	3,230	
72.40	Obligated balance, start of year	4,393	4,497	4,286
74.40	Obligated balance, end of year	<u>     4,497                              </u>	<b>-4,286</b>	1,947
77.00	Adjustments in expired accounts	57		***************************************
90.00	Outlays	3,073	3,441	2,339

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

Odminiani di Bobazi norri	,					
[In thousands of dollars]						
Enacted/requested:	1985 actual	1986 estimate	1987 estimate			
Budget authority	3,250	3,230				
Outlays	3,073	3,441	2,339			
Reduction pursuant to P.L. 99–177:						
Budget authority		-139				
Outlays		<b>-63</b>	_7			
Total:						
Budget authority	3,250	3,091	***************************************			
Outlays	3,073	3,378	2,332			

# General and special funds—Continued

[Rural Community Fire Protection Grants]—Continued

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas. In 1985, 3,400 grants were obligated for a total of \$3.234 million. It is anticipated that in 1986, 3,253 grants will be obligated for a total of \$3.23 million. No program is proposed for fiscal year 1987. Functions under this program in future years will be provided by the Department of Housing and Urban Development's Community Development Block Grant Program.

## Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-2067-6-1-452	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations	•••••	—139	
F 40.00	inancing: Budget authority (appropriation)		<b>—139</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-139	
72.40	Obligated balance, start of year		***************************************	<b>76</b>
74.40	Obligated balance, end of year		76	69
90.00	Outlays	***************************************	-63	_7

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

# [Rural Housing for Domestic Farm Labor]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-2004-0-1-604	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations (object class 41.0)	12,138	10,189	
F	inancing:			
17.00 21.40 24.40	Recovery of prior year obligations Unobligated balance available, start of year Unobligated balance available, end of year	-1,352 -11,036 249	-249	
39.00	Budget authority		9,940	***************************************
B	udget authority:			
40.00 40.00			10,000 60	***************************************
43.00	Appropriation (adjusted)		9,940	
R	elation of obligations to outlays:			
71.00 72.40 74.40	Obligations incurred, net	12,138 27,429 —35,311	10,189 35,311 —35,254	35,254 — 23,31

78.00	Adjustments in unexpired accounts			
90.00	Outlays	2,905	10,246	11,937

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[in thousands of dol	lars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority		9,940	***************************************
Outlays	2,905	10,246	11,937
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>— 427</b>	
Outlays		-17	107
Total:	-		
Budget authority		9,513	
Outlays	2,905	10,229	11,830

Rural housing for domestic farm labor.—This grant program is authorized under section 516 of the Housing Act of 1949, as amended. Grants are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grant assistance may not exceed 90 percent of the cost of a project, and may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms and infirmaries. No program is proposed for 1987. Functions under this program will be provided through programs of the Department of Housing and Urban Development.

#### **GRANT OBLIGATIONS**

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	1985 actual	1986 estimate	1987 estimate
Rural housing for domestic farm labor grants:			
Number of grants	23	20	
Amount of grants (thousands of dollars)	12,138	11,194	

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

	• • • • • • • • • • • • • • • • • • • •		•	
Identificat	tion code 12-2004-6-1-604	1985 actual	1986 est.	1987 est.
	Program by activities: Total obligations	••••	<b>— 427</b>	
	inancing:			
40.00	Budget authority (appropriation)		427	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>—427</b>	
72.40	Obligated balance, start of year			-410
74.40	Obligated balance, end of year		410	303
90.00	Outlays		_17	-107

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### [MUTUAL AND SELF-HELP HOUSING]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identification code 12-2006-0-1-604	1985 actual	1986 est.	1987 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	10.754	10.516	

17.00 21.40 24.40	inancing: Recovery of prior year obligations Unobligated balance available, start of year Unobligated balance available, end of year	-202 -5,115 2,564	— 2,564	
39.00	Budget authority	8,000	7,952	
В	udget authority:			
40.00	Appropriation	8,000	8,000	
40.00	Reduction pursuant to P.L. 99–190		<u>-48</u>	
43.00	Appropriation (adjusted)	8,000	7,952	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	10,754	10,516	
72.40	Obligated balance, start of year	11,336	14,318	18,209
74.40	Obligated balance, end of year	-14,318	-18,209	-10,492
78.00	Adjustments in unexpired accounts			
90.00	Outlays	7,569	6.625	7.717

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[fit thousands of doli	ars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	8,000	7,952	
Outlays	7,569	6,625	7,717
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>—342</b>	
Outlays		<b>—27</b>	<b>— 137</b>
Total:			
Budget authority	8,000	7,610	
Outlays	7,569	6,598	7,580

This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor. No program is proposed for fiscal year 1987. Functions under this program will be provided through programs of the Department of Housing and Urban Development.

#### **GRANT OBLIGATIONS**

	1985 actual	1986 estimate	1987 estimate
Number of grants	50	45	
Amount of grants (thousands of dollars)	10,754	10,516	

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identifical	ion code 12-2006-6-1-604	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		_342	
40.00	inancing: Budget authority (appropriation)		-342	
71.00 72.40 74.40	elation of obligations to outlays: Obligations incurred, net Obligated balance, start of year Obligated balance, end of year		342 315	— 315 178
90.00	Outlays	***************************************	27	-137

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# [VERY LOW-INCOME HOUSING REPAIR GRANTS]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the

extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identifical	ion code 12-2064-0-1-604	1985 actual	1986 est.	1987 esi.
Р	rogram by activities:			
10.00		12,498	12,425	
F	inancing:			
25.00	Unobligated balance lapsing	2		
39.00	Budget authority	12,500	12,425	
В	udget authority:			
40.00	Appropriation	12,500	12,500	
40.00	Reduction pursuant to P.L. 99–190		<b> 75</b>	
43.00	Appropriation (adjusted)	12,500	12,425	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	12,498	12,425	
72.40	Obligated balance, start of year	164	324	621
74.40	Obligated balance, end of year	<b>—324</b>	-621	
77.00	Adjustments in expired accounts	302		
90.00	Outlays	12,035	12,128	621

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

[iii tiiousailus oi uoii	aisj		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	12,500	12,425	
Outlays	12,035	12,128	621
Reduction pursuant to P.L. 99-177:			
Budget authority	***************************************	<b>— 534</b>	
Outlays		-510	<b>— 24</b>
Total:			
Budget authority	12,500	11,891	
Outlays	12,035	11,618	597

This program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwelling; to make the dwelling safer or more sanitary, or; to remove health and safety hazards. A grant or a combination of a grant and a low-interest loan from the Rural housing insurance fund may be made to an eligible recipient for the needed work. No program is proposed for 1987. Functions under this program for 1987 and subsequent years will be provided through programs of the Department of Housing and Urban Development.

#### **GRANT OBLIGATIONS**

	1985 actual	1986 estimate	1987 estimate
Number of grants	3,715	3,550	***************************************
Amount of grants (thousands of dollars)	12,498	12,425	

#### Reduction Pursuant to Public Law 99-177

Identification code 12-2064-6-1-604	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Total obligations		<b></b> 534	
Financing:			
40.00 Budget authority (appropriation)	***************************************	<b>— 534</b>	
Relation of obligations to outlays:			
71.00 Obligations incurred, net		<b>—</b> 534	
72.40 Obligated balance, start of year			-2

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#### General and special funds-Continued

# [Very Low-Income Housing Repair Grants]—Continued Reduction Pursuant to Public Law 99-177—Continued

#### Program and Financing (in thousands of dollars) - Continued

Identifica	tion code 12-2064-6-1-604	1985 actual	1986 est.	1987 est.
74.40	Obligated balance, end of year		24	
90.00	Outlays		-510	<b>— 24</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### RURAL RENTAL ASSISTANCE PAYMENTS

# Program and Financing (in thousands of dollars)

Identificat	tion code 12-2002-0-1-604	1985 actual	1986 est.	1987 est.
10.00	Program by activities: Total obligations (object class 41.0)	52,250		
40.00	inancing: Budget authority (appropriation)	52,250		
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	52,250		
72.40	Obligated balance, start of year	48,996	100,412	89,829
74.40	Obligated balance, end of year	-100,412	- 89,829	<b>— 72,087</b>
90.00	Outlays	835	10,583	17,742

This program is authorized under section 521 of the Housing Act of 1949, as amended. The objective of the program is to reduce rents paid by low-income families living in FmHA financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of (1) 30 percent of monthly adjusted income, (2) 10 percent of monthly income, or (3) designated housing payment from a welfare agency. Payments are made to the project owner to make up the difference between the tenants' rent payments and the approved rental rates for the units.

This appropriation has been used to fund rental assistance contracts for newly constructed rental housing and domestic farm labor housing projects. No program funding was provided in 1986. No program is proposed in 1987. Functions under this program will be provided through programs of the Department of Housing and Urban Development for 1987 and subsequent years.

	1985 actual	1986 estimate	1987 estimate
Number of units assisted	4,750		
Amount of payments (thousands of dollars)	52,250		

#### [COMPENSATION FOR CONSTRUCTION DEFECTS]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identification code 12-2071-0-1-371	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Total obligations (object class 41.0)	527	745	*******

25.00	inancing: Unobligated balance lapsing	473		
39.00	Budget authority	1,000	745	
В	Budget authority:			
40.00	Appropriation	1,000	750	
40.00	Reduction pursuant to P.L. 99-190		5	
43.00	Appropriation (adjusted)	1,000	745	
R	relation of obligations to outlays:			
71.00	Obligations incurred, net	527	745	
72.40	Obligated balance, start of year		134	
	0111 1 1 1	<b>— 134</b>		
74.40	Obligated balance, end of year	- 134	***************	
74.40 77.00	Adjustments in expired accounts			

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

#### [In thousands of dollars]

Enacted/requested:	1985 actual	1986 estimate	1987 estimate
Budget authority	1,000	745	
Outlays	390	879	
Budget authority Outlays		-32 -32	
Total:			
Budget authority	1,000	713	
Outlays	390	847	

This program is carried out under the provisions of section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with FmHA financial assistance. Requests for compensation for construction defects must be made within 18 months after the date financial assistance was granted. No program is proposed for fiscal year 1987. Functions under this program for fiscal year 1987 and subsequent years will be provided through programs of the Department of Housing and Urban Development.

A summary of the activity for compensation for construction defects is as follows:

	1985 actual	1986 estimate	1987 estimate
Number of payments	153	208	
Amount of payments (in thousands)	527	745	

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-2071-6-1-371	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		_32	
	inancing: Budget authority (appropriation)		-32	
71.00	lelation of obligations to outlays: Obligations incurred, net		-32	
90.00	Outlays			

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### [RURAL HOUSING PRESERVATION GRANTS]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-2070-0-1-604	1985 actual	1986 est.	1987 est.
10.00	Program by activity: Total obligations (object class 41.0)		20,000	
21.40 25.00	inancing: Unobligated balance available, start of year Unobligated balance lapsing	-15,000 20,000		
39.00	Budget authority	5,000	20,000	
8 40.00 50.00	udget authority: Appropriation Reappropriation	5,000	20,000	
71.00 72.40 74.40	elation of obligations to outlays: Obligations incurred, net Obligated balance, start of year Obligated balance, end of year		20,000	19,000 —11,000
90.00	Outlays		1,000	8,000

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	5,000	20,000	
Outlays		1,000	8,000
Reduction pursuant to P.L. 99-177:			
Budget authority		-860	
Outlays		<b> 65</b>	-344
Total:			
Budget authority	5.000	19.140	
Outlays	-,	935	7.656
04.070			=====

This grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible private nonprofit groups, Indian tribes, or government agencies for rehabilitation of Single Family Housing owned by low- and very low-income families; rehabilitation of rental and cooperative housing for low-and very low-income families and to provide assistance payments as provided by section 8 of the Housing Act of 1937 to minimize the displacement of very low-income tenants residing in units rehabilitated with assistance under this section. No program is proposed for fiscal year 1987. Functions under this program for fiscal year 1987 and subsequent years will be provided through programs of the Department of Housing and Urban Development.

A summary of the activity for housing preservation grants is as follows:

#### GRANT OBLIGATIONS

Number of grants		1986 estmate 100 20,000 99-177	1987 estimate
Program and Financing	(in thousands of	dollars)	
Identification code 12-2070-6-1-604	1985 actual	1986 est.	1987 est.
Program by activity: 10.00 Total obligations		860	

	inancing: Budget authority (appropriation)	 860	
	elation of obligations to outlays: Obligations incurred, net Obligated balance, start of year Obligated balance, end of year	 860 795	795 451
90.00	Outlays	 -65	-344

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

#### MISCELLANEOUS EXPIRING APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identificat	ion code 12-9912-0-1-999	1985 actual	1986 est.	1987 est.
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			
72.40	Obligated balance, start of year	3.105	1,695	
74.40	Obligated balance, end of year	-1.695		
77.00	Adjustments in expired accounts	-127		
90.00	Outlays	1,283	1,695	
	tion of outlays by account: I development grants	1,283	1,695	

#### Public enterprise funds:

#### AGRICULTURAL CREDIT INSURANCE FUND

Loans may be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928–1929, or guaranteed, as follows: loans, \$4,700,000,000, of which \$2,500,000,000 shall be guaranteed loans, and not to exceed \$700,000,000 shall be emergency loans.

For an additional amount to reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), \$2,440,203,000. (Public Law 99-198.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

1987 est.	1986 est.	1985 actual	ode 12-4140-0-3-351	dentification code
			ram by activities:	Program
			pital investment:	Capita
2,200,000	3,316,600	4,757,339	Loans obligated	
			Loans made:  Payment of delinquent in-	D0.02
920	925	930	stallments	70102
			Advances on behalf of	00.03
275,000	250,000	198,985	borrowers	
			Purchase of loans from inves-	00.04 F
906	12,262	23,002	tors	
			Purchase of certificates of	00.05 F
401,635	1,272,610	4,230,410	beneficial ownership	
			Interest on loans purchased	00.06
12	120	241	from investors	
40,000	35,000	32,729	Collateral acquired by default	00.07
			Disbursement of loan repay-	3 80.00
10,000	11,000	12,259	ments to investors	
,	·		Purchase of guaranteed loans	00.09 F
6,000	5,000	3,899	from investors	
	,,,,,,	,	Interest on guaranteed loans	00.10
700	600	472	purchased from investors	

2,369,574

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#### 77.00 Adjustments in expired accounts.... - 59,078 Public enterprise funds—Continued AGRICULTURAL CREDIT INSURANCE FUND—Continued 90.00 Outlays..... 2,782,291 2,131,086 Program and Financing (in thousands of dollars)—Continued

Identificat	ion code 12-4140-0-3-351	1985 actual	1986 est.	1987 est.	SUMMARY OF BUDGET AUTHO [In thousands of doll
00.91	Total capital investment	9,260,267	4,904,117	2,935,173	Enacted/requested:
	Operating expenses:				Budget authority
01.01 01.02	Administrative expense	64,740	75,769	48,865	OutlaysReduction pursuant to P.L. 99–177:
01.02	ficial ownership	3,375,113	3,618,660	3,637,120	Budget authority
01.03 01.04	Premium interest for investors Interest on participation certifi-	3,039	2,342	2,003	Outlays Proposed for later transmittal under proposed legis-
01.01	cates	11,133	11,133	11,133	lation:
01.05	Interest expense on withheld				Budget authority Outlays
	collections	46,431	56,000	58,000	Outlays
01.06	Interest on borrowings	525,107	475,000	525,000	Total:
01.07	Loss settlement expense on guaranteed loans	22.871	43,500	116,550	Budget authority
01.08	Unfilled orders	6,170	17,682	20,788	Outlays
01.09	Undistributed charges	16			Status of Direct Loans (in the
01.10	Other expense	7,029	35,642	28,013	Status of Direct Loans (in the
01.11	Interest buy-down expense		120,000	185,000	Identification code 12-4140-0-3-351 1985
01.91	Total operating expenses	4,061,649	4,455,728	4,632,472	Position with respect to appro-
10.00	Total obligations	13,321,916	9,359,845	7,567,645	priation act limitation on ob-
F	inancing:				ligations:
·	Offsetting collections from:				Limitation on obligations: 1111 Real estate loans
	Federal funds:				1111 Soil and water loans
11.00	Investment income from par-	00.510	00.054	00.001	1111 Operating loans
11 00	ticipation sales fund	<b>— 22,518</b>	<b>—</b> 22,054	<b>— 23,221</b>	1111 Transferred from Soil Conserva-
11.00	Sale of certificates of benefi- cial ownership	-6,815,000	-2,255,130	-165,705	tion Service
	Non-Federal sources:	-0,010,000	- 2,200,100	- 100,700	1111 Disaster loans
14.00	Repayments on loans held by				1111 Total limitation on obliga-
	the fund	<b> 2,440,527</b>	<b> 2,550,000</b>	<b> 2,700,000</b>	tions 1 4,2
14.00	Loan repayments received on	10.050	** **	10.00	1112 Unused balance of direct loan limi-
14.00	behalf of investors	-12,259	-11,000	-10,000	tation expiring
14.00 14.00	Repayments on advances	—12,281	<b>— 20,000</b>	<b>— 25,00</b> 0	1131 Obligations exempt from limitation: Direct loans to the public 4
14.00	Repayment on guaranteed loans purchased from in-				
	vestors	-1,179	-1,900	-2,600	1150 Total direct loan obligations 4,7
14.00	Proceeds from sale of ac-	_,	-,	_,	
	quired property and chat-				Cumulative balance of direct
14.00	tels	- 30,332	-30,400	- 35,600	loans outstanding:
14.00 14.00	Payments on judgements Insurance premiums	—770 —57	- 900 - 75	-1,000	1210 Outstanding, start of year
14.00	Guarantee fees	-37 -3,562	— 17,550	— 12,000 — 23,800	1231 Direct loan disbursements 4,6
14.00	Interest revenue	— 3,362 — 987,357	- 17,550 - 2,343,058	-23,800 $-2,226,530$	1233 Purchase of loan assets from
14.00	Fees and other revenue	- 15,187	-2,343,030 -20,100	-2,220,330 -28,100	the public
24.98	Unobligated balance available, end	10,107	20,100	20,100	1234 Purchase of loan assets from
	of year: Fund balance	***************************************	***************************************	520,154	the FFB 4,1
39.00	Budget authority	2,980,887	2,087,678	2,834,243	Repayments:
	Dauget authority	2,300,007	2,007,070	2,004,240	1251 Repayments and prepayments $-2,4$ 1254 Loan asset sales to the FFB $-6,8$
В	udget authority:				Adjustments:
40.00	Current:	1 000 045	1 000 045	0.440.000	1261 Capitalized interest 5
40.00	Appropriation	1,089,943	1,089,943	2,440,203	1262 Write-offs for default −1
40.00	Reduction pursuant to P.L. 99-		-6,540		1264 Other adjustments, net 2
12.00					1290 Outstanding, end of year 3
43.00	Appropriation (adjusted) Permanent:	1,089,943	1,083,403	2,440,203	1 The 1005 direct loss limitation includes \$1,000 million (see 1)
67.10	Authority to borrow (7				<sup>1</sup> The 1985 direct loan limitation includes \$1,680 million for operati program.
	U.S.C. 1929(c)) (indefi-				2 Amounts shown are based on capitalized interest, payment of del
	nite)	1,890,944	1,004,275	394,040	loans in kind—acquired real property, acquired property, acquired chatte
R	elation of obligations to outlays:				Status of Guaranteed Loans (in
71.00	Obligations incurred, net	2,980,887	2,087,678	2,314,089	Position with respect to appropriation act
	Obligated balance, start of year:				limitation on commitments:
72.47	Authority to borrow	1,703,668	1,801,685	505,960	2111 Real estate loans
72.98	Fund balance	64,043	105,544	1,357,861	2111 Soil and water loans
74.47	Obligated balance, end of year: Authority to borrow	-1,801,685	<b>—</b> 505,960		2111 Operating loans
74.47	Fund balance	-1,801,883 $-105,544$	-1,357,861	-1,808,336	2111 Total, limitation on commitments
		,	_,00.,001	_,000,000	

	SUMMARY OF BUDGET			ND OUTLAYS	
	[In thousa	nas or a	oliarsj <i>1985 acti</i>	ual 1986 estimate	1987 estimate
Bud Out	d/requested: lget authoritylays		2,980,8 2,782,2		2,834,243 2,369,574
Bud Out Propos	get authorityays 1777 ays			F 1.00	3,830 —1,278
Bud	get authoritylays				- 536,875 - 489,295
	get authorityays		2,980,8 2,782,2	87 2,022,232 91 2,125,926	2,301,198 1,879,001
	Status of Direct Loans	s (in	thousands	of dollars)	
Identifica	tion code 12-4140-0-3-351	198	5 actual	1986 est.	1987 est.
	Position with respect to appro- priation act limitation on ob- ligations: Limitation on obligations:				
1111 1111	Real estate loansSoil and water loans		654,000 22,000	426,000 22,000	195,000
1111	Operating loans	3,	600,000	1,578,000	1,305,000
1111	Transferred from Soil Conserva-		10000	10,000	
1111	tion Service Disaster loans		16,000	16,000 1,300,000	700,000
1111	Total limitation on obligations 1	4,	292,000	3,342,000	2,200,000
1112	Unused balance of direct loan limitation expiring	-	- 25,537		
1131	Obligations exempt from limitation: Direct loans to the public		490,877		
1150	Total direct loan obligations	4,	757,340	3,342,000	2,200,000
(	Cumulative balance of direct				
1210	loans outstanding: Outstanding, start of year Disbursements:		409,758	387,538	376,719
1231	Direct loan disbursements	4,	638,569	3,438,814	2,277,569
1233	Purchase of loan assets from	ĺ			
1234	the publicPurchase of loan assets from		96,412	34,872	17,541
	the FFBRepayments:	4,	157,000	1,250,000	385,000
1251	Repayments and prepayments		452,808	-2,570,000	-2,725,000
1254	Loan asset sales to the FFB Adjustments:	-6,	815,000	- 2,255,130	<b>—</b> 165,705
1261	Capitalized interest		588,583	350,000	500,000
1262 1264	Write-offs for default Other adjustments, net 2		114,206 120,770	— 150,000 — 109,375	- 50,000 - 114,405
1290	Outstanding, end of year		387,538	376,719	501,719

ating loans transferred from the emergency disaster loan

delinquent installments, advances on behalf of borrowers, ettels, judgments, and other.

# in thousands of dollars)

	Status of Guaranteed Loans (iii	i tilousalius o	i dollars)	
ı	Position with respect to appropriation act limitation on commitments:			
2111	Real estate loans	68,000	250,000	325,000
2111	Soil and water loans	6,000	6,000	
2111	Operating loans	1,172,000	1,700,000	2,175,000
2111	Total, limitation on commitments	1,246,000	1,956,000	2,500,000

2112	Unused balance of limitation expiring	_71,223		
2150	Total guaranteed loan commitments 1	1,174,777	1,956,000	2,500,000
C	cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	1,127,768	1,384,627	2,736,160
2231	Disbursements: Disbursements of new guaranteed loans	529,826	1.681.805	2,122,432
2251		,	, , , , , , , , , , , , , , , , , , , ,	
2251	Repayments: Repayments and prepayments Adjustments:	-161,608	260,600	664,600
2262	Terminations for default that result in			
	acquisition of property	283	-300	<b>—325</b>
2263	Terminations for default that result in			
	claim of payments	25,353	-47,500	-122,400
2264	Other adjustments, net 2	85,723	-21,872	<u>-1,541</u>
2290	Outstanding, end of year	1,384,627	2,736,160	4,069,726
	MEMORANDUM			
2299	U.S. contingent liability for guaranteed			
	loans outstanding, end of year	1.269.936	2.468.288	3.640.611

¹ The guaranteed loan limitation for 1985 includes \$80 million of operating loans transferred from the Rural development insurance fund, \$460 million transferred from the emergency disaster loan program, and \$150 million of operating loans enacted in P.L. 98-396, Second Supplemental Appropriations Act, 1984 and made available through September 30, 1985. ² Amounts shown are based on assumption agreements, repurchases of CBO's, loans purchased from investors, and other.

Authority for the Agricultural Credit Insurance Fund was extended from fiscal year 1986 through 1988 by the farm bill, Public Law 99-198, signed December 23, 1985. This legislation also provided levels of funding for emergency loans. The loan levels reflected here are consistent with those established by the farm bill.

The Agricultural Credit Insurance Fund is used to insure or guarantee farm ownership, soil and water, farm operating, and emergency loans to individuals. Associations, Indian tribes and tribal corporations are eligible for the following types of loans: Indian land acquisition, watershed protection, flood prevention, and resource conservation and development.

The following loans are financed through this fund: Farm ownership loans are made to individuals, corporations, cooperatives and partnerships, who are or will be farmers and ranchers for acquiring, enlarging, or improving not larger than family farms, including dwellings and farm buildings; for financing land and water development, use, and conservation; for developing recreational and other nonfarm enterprises; for forestry development; for refinancing indebtedness; and for loan closing costs. Loans are made for 40 years or less. Insured principal indebtedness of any borrower may not exceed \$200,000 and guaranteed principal indebtedness of any borrower may not exceed \$300,000. The borrower is charged not more than the cost of money interest rate for insured loans, plus up to 1 percent additional, except for low-income, limited resource borrowers who currently are charged a lower interest rate. An additional 2 percent is added to the interest rate if the loan involves the use of prime farm land for nonfarm purposes. The interest on loans that are deferred, consolidated, rescheduled or reamortized is set at the original rate or the current rate whichever is lower. The interest rate for guaranteed loans is negotiated by the lender and the borrower. No program is proposed for 1987.

Soil and water loans are made to individuals, corporations, cooperatives or partnerships, who are owners or operators of farms and ranches, for developing and conserving land and water resources. These loans may

be made on farms which are larger than family farms. Loans are made for 40 years or less. Insured principal indebtedness of any borrower may not exceed \$200,000 and guaranteed principal indebtedness of any borrower may not exceed \$300,000. The borrower is charged not more than the cost of money interest rate for insured loans, plus up to 1 percent additional. An additional 2 percent is added to the interest rate if the loan involves the use of prime farm land for nonfarm purposes. The interest rate for guaranteed loans is negotiated by the lender and the borrower. No program is proposed for 1987.

Resource conservation and development (RCD) loans are made to local sponsors of RCD projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for conservation measures specified in approved project and works of improvement plans. These loans are repayable in not more than 30 years. Loans bear interest at a rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. No program is proposed for 1987.

Watershed protection and flood prevention loans are made to local sponsors of projects approved by the Soil Conservation Service. Loans are made to local organizations for installing, repairing, or improving water storage facilities, purchasing sites or rights-of-way and for related costs. These loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. Total loans outstanding on any one project may not exceed \$10 million. No program is proposed for fiscal year 1987.

Indian tribe land acquisition loans are made to qualified Indian tribes or tribal corporations to acquire land or interest in land within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior. Loans are made for 40 years or less. The tribe is charged not more than the cost of money interest rate, plus up to 1 percent additional, except those tribes that are unable to pay the higher rate currently may be charged a lower interest rate. No program is proposed for 1987.

Farm operating loans are made to individuals, corporations, cooperatives or partnerships, who are or will be the operator of a farm or ranch, for paying costs incident to reorganizing a farming system for more profitable operation; purchasing livestock, poultry, and farm equipment; purchasing feed, seed, fertilizer, and other farm supplies; meeting other essential operating expenses; financing land and water development, use, and conservation; developing recreation and other nonfarm enterprises; providing other farm and home needs; refinancing indebtedness; complying with certain safety standards; financing modest farm and nonfarm projects for rural youths in connection with their participation in 4-H clubs, Future Farmers of America, and similar organizations; and loan closing costs.

Operating loans for farming operations are confined to operators of not larger than family farms. Individuals, partnerships, corporations, and cooperatives operating family-size farms may be eligible. The outstanding principal loan balance for operating loans to a borrower is limited to \$200,000 for insured loans and \$400,000 for

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Public enterprise funds-Continued

AGRICULTURAL CREDIT INSURANCE FUND-Continued

guaranteed loans. The borrower is charged not more than the cost of money interest rate for insured loans, plus up to 1 percent additional, except for low-income, limited resource borrowers who are currently charged a lower interest rate. An additional 2 percent is added to the interest rate if the loan involves the use of prime farm land for nonfarm purposes. The interest rate on loans that are deferred, consolidated, rescheduled or reamortized is set at the original rate or the current rate, whichever is lower. The interest rate for guaranteed loans is negotiated by the lender and the borrower. The 1987 budget proposes an up front loan origination fee of 1 percent on insured loans, the same as charged on guaranteed loans. Funds advanced for operating expenses are usually repaid when the crops, livestock, or other farm products are sold. Funds advanced for other purposes may be repaid in 1 to 7 years. Loans are secured by crop and chattel liens and, when necessary, by real estate mortgages. It must be clearly established that the loan applicants are unable to obtain sufficient credit elsewhere to finance their needs. The 1987 budget proposes to maintain a \$4 billion program level each year while phasing out the insured farm operating loan program by fiscal year 1989.

Emergency disaster loans are made available in designated counties and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster.

Actual loss loans are made for physical losses to repair, restore, or replace damaged or destroyed farm property, livestock and livestock products, and supplies, and for production losses to compensate for loss of income based on reduced production of crops and/or livestock products resulting from the disaster. Repayment terms vary according to the purposes of the loan, type of collateral available to secure the loan and the projected repayment ability of the borrower. Loans for actual losses to crops, livestock, supplies, and equipment may be scheduled for repayment for up to 7 years. Under some conditions a longer repayment period may be authorized, but not to exceed 20 years. Generally, real estate will be needed as security when more than 7 years is authorized. Real estate loans will generally be scheduled for repayment within 30 years but may be scheduled for up to 40 years.

An actual loss loan may not exceed \$500,000 or the calculated amount of the actual loss, whichever is less, for each disaster. The interest rate is 8 percent on loans for actual losses caused by disasters on and after October 1, 1981. The interest rate is 5 percent on loans for actual losses caused between September 30, 1978 and October 1, 1981. Loans are authorized for counties which are contiguous to counties already named as eligible for loans due to losses from natural disasters occurring after May 30, 1983.

A farmer who cannot obtain credit elsewhere is eligible for an actual loss loan of up to \$500,000 per disaster at an interest rate of 5 percent on the first \$100,000 borrowed. Amounts above \$100,000, up to the limit of \$500,000, will be subject to an interest rate of 8 percent. The interest rate on loans that are deferred, consolidat-

ed, rescheduled or reamortized is set at the original rate or the current rate, whichever is lower. The Small Business Act of 1980, Public Law 96-302, made creditworthy borrowers eligible for FmHA emergency disaster actual loss loans at a market rate of interest.

The following table shows 1985 actual and estimated 1986 and 1987 number of loans and program levels. The guaranteed program levels reflect the full principal amount of the loan of which part is guaranteed by the U.S. Government.

	1	Dollars in millio	ons)			
	1985 a	ctual	1986 es	timate	1987 e	stimate
	Number	Amount	Number	Amount	Number	Amount
Agricultural credit insurance						
fund:						
Insured farm ownership						
loans	7,424	\$652.6	2,870	\$260.0	2,065	\$195.0
Guaranteed farm owner-						
ship loans	453	67.9	1,680	260.0	2,020	325.0
Insured farm operating						
loans	76,505	3,600.0	35,835	1,740.0	25,820	1,305.0
Guaranteed farm operat-	•	·	·			
ing loans	9,693	1,106.9	14,765	1.740.0	17,885	2,175.0
Emergency disaster loans	14,060	490.9	36,110	1,300.0	18,680	700.0
Insured soil and water	1.,000		00,-10	-,	,	
loans	514	9.8	1,110	22.0		
Guaranteed soil and	017	0,0	1,110	22.0		
			2	6.0		
Indian tribe land acquisi-				0.0		***************************************
	2	1.4	2	4.0		
tion loans	2	1.4	L	4.0		
Watershed protection and	3	2.2	3	14.0		
flood prevention loans.	3	2.2	3	14.0		
Resource conservation		-		0.0		
and development loans	1	5	1	2.0		
Total, Agricultural						
credit insurance						
fund	100 655	5,932.1	92,393	5 3/19 0	66,470	4,700.0
IUIIU	100,000	3,332.1	32,333	3,340.0	00,470	4,700.0

The new obligational authority required for "Insufficiencies" is computed as follows (in thousands of dollars):

laterest approach an posticination portificates	1985 actual 11.133	1986 estimate 11.133	1987 estimate 11.133
Interest accrued on participation certificates Amortized discount on participation certificates	11,133	11,133	11,133
Interest accrued on an equal amount of loans in	57		
the pool	57		
Insufficiency	11,196	11,138	11,138
Financed by: Investment income from:			
Participation sales trust fundRetained earnings reserved to meet insuffi-	<b>— 22,518</b>	<b>— 22,054</b>	<b>— 23,221</b>
ciencies	11,322	10,916	12,083
New obligational authority required			

#### Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Operating income or loss (—):			
Revenue	2,243,138	2,353,125	2,480,33
Expense	<b> 9,964,618</b>	-6,417,210	6,956,576
Net operating loss	<b>—7,721,479</b>	-4,064,085	<b>-4,476,24</b>
Nonoperating income or loss (—): Proceeds from sale of acquired property:			
Cash	40.767	30.400	35.60
Loans receivable	122,202	150,000	175,00
Total proceeds from sale	162,968	180,400	210,60

Assets: Selected assets: Fund balance with Treasury Accounts receivable (net)		— 249,476 — 86,507 — 7,807,987 (in thousands of a 1985 actual	— 290,700 — 110,300 — 4,174,385 dollars)	- 336,100 - 125,500 - 4,601,745	Paid- 0	s of changes in Government quity: in capital: bening balance ansactions: Unfunded administrative expense	5,000,616 142,900	6,294,479 150,000	7,845,979 160,000
Net loss for the year  Financial  19  Assets: Selected assets: Fund balance with Treasury Accounts receivable (net)	I Condition 184 actual 64,043	—7,807,987 (in thousands of 1985 actual	— 4,174,385 dollars)	<b>-4,601,745</b>	Paid- O	in capital: pening balanceansactions:	, ,		
Assets: Selected assets: Fund balance with Treasury Accounts receivable (net)	1 Condition 184 actual 64,043	(in thousands of 1985 actual	dollars)			ansactions:	, ,		
Assets: Selected assets: Fund balance with Treasury Accounts receivable (net)	084 actual 64,043	1985 actual	· · · · · · · · · · · · · · · · · · ·	1987 est.			142.900	150,000	160 000
Assets: Selected assets: Fund balance with Treasury Accounts receivable (net)	64,043		1986 est.	1987 est.		Unfunded accrued annual leave	767	800	900
Selected assets: Fund balance with Treasury Accounts receivable (net)		105.544				Unfunded depreciation expense Imputed interest	606 1,149,590	700 1,400,000	800 1,650,000
Fund balance with Treasury Accounts receivable (net)		105.544			CI				
Treasury		105 544			CI	osing balance	6,294,479	7,845,979	9,657,679
(net)	3,292,686	105,544	115,503	110,602	0	ned income or loss ( — ): pening balance	6,897,267	<b>— 13,615,310</b>	<b>—16,706,292</b>
held by or for trustee		3,632,304	4,290,737	4,825,749	Tr	ansactions: Net operating loss	<b>—7,721,479</b>	<b></b> 4.064.085	<b></b> 4,476,245
trustee						Net nonoperating loss	-7,721,473 -86,507	-110,300	-4,470,243 -125,500
	65	***************************************				Appropriation to meet deficit	1,089,943	1,083,403	2,440,203
Interest collections	0.0	***************************************	•••••	***************************************	CI	osing balance	-13,615,310	-16,706,292	- 18,867,834
held in escrow								=======================================	
for trustee						Total Government equity (end of year)	-7,320,832	- 8,860,313	-9,210,155
Loans receivable (net)	406,429	364,846	354,116	259,839		year)	- 7,520,032	-0,000,313	- 3,210,133
Real property	603,820	911,303	1,257,504	1,633,854		This statement excludes unfunded contingent lial		ce programs in principa	l amounts in 1984,
Other assets (net):	2.105	E 407	0.554	12.070	\$26,585,6	82; 1985, \$29,444,936; 1986, \$31,648,418; 1987	, \$32,601,446.		
Judgments Deferred charges	2,165	5,487	8,664	12,970		Object Classification	(in thousands	of dollars)	
and unamortized							(III tilededilde		
discount on par-					Identificat	on code 12-4140-0-3-351	1985 ac	tual 1986 est.	1987 est.
ticipation certifi- cates and loans						Personnel compensation:			
sold	662	669	660	651	11.1	Full-time permanent		492 29,560	
Guaranteed loans					11.3	Other than full-time permanent		878 11,008	
purchased from					11.5	Other personnel compensation		445 6,040	3,504
holders	8,010	9,370	10,920	12,620	11.9	Total personnel compensation		815 46,608	
Total assets	4,377,844	5,029,524	6,038,104	6,856,285	12.1 13.0	Personnel benefits: Civilian Benefits for former personnel		,674 5,598 152	
Liabilities:					21.0	Travel and transportation of persons		152	
Selected liabilities:					22.0	Transportation of things		165 188	
Accounts payable					23.1	Standard level user charges		495 446	482
and accrued li-					23.2	Rental payments to others		,864 2,130	1,720
	1,365,980	1,459,121	1,538,197	1,561,544	23.3	Communications, utilities, and misco		010 5 000	2 420
Advances received	154,035	153,474	162,758	173,583	24.0	ous charges		,010 5,029 394 524	
Debt issued under borrowing					25.0	Other services	45	,297 209,597	
authority:					26.0	Supplies and materials		394 532	
Borrowings from					31.0	Equipment		672	
Treasury	4,486,500	6,220,500	8,520,500	9,420,500	33.0	Investments and loans			
Participation certifi-		170.010	170.010	170.010	43.0	Interest and dividends		,365 4,171,404 ,133 11,133	
cates outstanding	178,310	178,310	178,310	178,310	43.0 44.0	Refunds		,155 11,155	
Principal repay- ments to be ap-					92.0	Undistributed charges		16	•
plied to redemp-						-		.916 9.359.845	7 567 645
tion of participa-					99.9	Total obligations	13,321	,910 9,339,843	7,567,645
	<b>– 154,122</b>	— 154,122	— 154,122	154,122		_			
Principal collections						Personn	el Summary		
held in escrow for trustee	151				Total n	imber of full-time permanent positions		24 24	24
Other liabilities: Provi-	101	***************************************	***************************************			ompensable workyears:			
sion for potential						time equivalent employment		,523 1,975	1,284
losses on loans sold						time equivalent of overtime and I	•	00 000	
or guaranteed	243,641	4,493,071	4,652,774	4,886,625	n	OURS		90 200	90
Total liabilities	6,274,495	12,350,355	14,898,417	16,066,440		Reduction Pursuan	t to Public	Law 99-177	
Government equity:									
Selected equities:						Program and Financin	ig (in thousand	s of dollars)	
Unexpended balance:					11 - 12	12 4140 6 2 251	1005 actual	1000	1007
Unobligated bal-					Identificat	ion code 12-4140-6-3-351	1985 actual	1986 est.	1987 est.
	1,544,237	1,773,055	2,475,303	3,048,811		rogram by activities:			
Undelivered						Capital investment:			
orders	292,506	352,197	229,982	152,413	00.01	Loans obligated		<b>—143,706</b>	***************************************
Invested capital	3,733,394	<u> </u>	<u>-11,565,598</u>	_12,411,379	00.02	Purchase of certificates of			2.144
Total Government						beneficial ownership			-3,144
	1,896,651	<b>—7,320,832</b>	-8,860,313	<b>- 9,210,155</b>	00.91	Total capital investment		<b>— 143,706</b>	-3,144

	Reduction Pursuant to P	nsurance Fu ublic Law 99-			2111	Total limitation on commitments		84,108 ····	
	Program and Financing (in	thousands of dolla	ars) —Continued		2150	Total guaranteed loan commitments		84.108	
dentific	ation code 12-4140-6-3-351	1985 actual	1986 est.	1987 est.					
	Operating expenses:				C	umulative balance of guar- anteed loans outstand-			
01.01				7.404		ing:			
)1.02	ficial ownership Interest buy-down expense		— 5,160	— 7,464 	2210	Outstanding, start of year			— 42,05 <sup>4</sup>
	· · · · · · · · · · · · · · · · · · ·				2231	Disbursements: Disburse- ments of new guaranteed			
)1.91	Total operating expenses					loans		<b>42,054</b>	— 33,643
10.00	Total obligations		148,866	-10,608	2290	Outstanding, end of year		— 42,054	<b>— 75,697</b>
	Financing:				-				
11.00	Offsetting collections from: Federal funds: Sale of certifi-					MEMORANDUM			
	cates of beneficial ownership		83,420		2299	U.S. contingent liability for			
1 4 0 0	Non-Federal sources:					guaranteed loans out-		<b></b> 37,849	CO 12
14.00	Loan repayments received on behalf of investors			8,093		standing, end of year		- 37,049	<u> </u>
4.00				6,345					
10.00	Budget authority (appro-					Agricultural Credit	Insurance	Fund	
10.00	priation)qappro-	*******	- 65,446	3,830		(Proposed for later transmitt	al. propose	d legislatio	n)
									,
	Relation of obligations to outlays: Obligations incurred, net		65,446	3,830		Program and Financing (in	thousands of	dollars)	
1.00	Obligated balance, start of year:		00,110	0,000	Identifica	tion code 12-4140-2-3-351	1985 actual	1986 est.	1987 est.
72.47				<b>- 65,446</b>					
72.98	Fund balance Obligated balance, end of year:			5,160		Program by activities:			700.00
74.47			65,446	61,616	00.01	Capital investment: Loans obligated			700,00
74.98			<b>- 5,160</b>	<b></b> 6,438	00.91	Total capital investment			<b>— 700,00</b> 0
90.00	Outlays		-5,160	-1,278	01.01	Operating expenses: Interest on certifi			
					02.02	cates of beneficial ownership			-2,580
	Status of Direct Loan	ns (in thousands	of dollars)		01.91	Total operating expenses			
					10.00	Total obligations			<b>—</b> 702,580
	Position with respect to appro-					rotar obligations			102,000
	printing act limitation on					inancina.			
	priations act limitation on obligations:					inancing: Offsetting collections from: Federal funds:			
	obligations: Limitation on obligations:					inancing: Offsetting collections from: Federal funds Sale of certification of beneficial owner-			
1111	obligations: Limitation on obligations: Real estate loans		-11,180			Offsetting collections from: Federal funds:			165,70
1111	obligations: Limitation on obligations: Real estate loans Soil and water loans		<b>- 946</b>		11.00	Offsetting collections from: Federal funds Sale of certification of beneficial owner- ship			165,70
	obligations: Limitation on obligations: Real estate loans		-/			Offsetting collections from: Federal funds: Sale of certification of beneficial owner-			165,705 536,875
l111 l111 l111	obligations: Limitation on obligations: Real estate loans		—946 —74,820 —860		47.10	Offsetting collections from: Federal funds. Sale of certification of beneficial owner- ship  Budget authority (authority to borrow, 7 U.S.C. 1929(c))			
l111 l111	obligations: Limitation on obligations: Real estate loans Soil and water loans Operating loans Transferred from Soil Conservation Service Economic emergency loans		— 946 — 74,820		47.10	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership  Budget authority (authority to borrow, 7 U.S.C. 1929(c))			- 536,87
l111 l111 l111	obligations: Limitation on obligations: Real estate loans Soil and water loans Operating loans Transferred from Soil Conservation Service Economic emergency loans Total limitation on obliga-		— 946 — 74,820 — 860 — 55,900		47.10	Offsetting collections from: Federal funds Sale of certification of beneficial owner- ship			
1111 1111 1111 1111	obligations: Limitation on obligations: Real estate loans Soil and water loans Operating loans Transferred from Soil Conservation Service Economic emergency loans Total limitation on obliga-		—946 —74,820 —860		47.10	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership  Budget authority (authority to borrow, 7 U.S.C. 1929(c))			- 536,87
1111 1111 1111 1111	obligations: Limitation on obligations: Real estate loans Soil and water loans Operating loans Transferred from Soil Conservation Service Economic emergency loans Total limitation on obliga-		— 946 — 74,820 — 860 — 55,900		47.10 47.10 71.00	Offsetting collections from: Federal funds Sale of certification of beneficial owner- ship			- 536,875 - 536,875
1111 1111 1111 1111 1111	obligations: Limitation on obligations: Real estate loans		946 74,820 860 55,900 143,706		47.10 47.10 71.00 74.47	Offsetting collections from: Federal funds Sale of certification of beneficial owner- ship			- <b>536,87</b> 5
1111 1111 1111 1111 1111	obligations: Limitation on obligations: Real estate loans		946 74,820 860 55,900 143,706		47.10 47.10 71.00 74.47 74.98	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership			- 536,879 - 536,879 36,879 10,709
1111 1111 1111 1111 1111 1111	obligations: Limitation on obligations: Real estate loans		— 946 —74,820 — 860 — 55,900 — 143,706 — 143,706		47.10 47.10 71.00 74.47 74.98	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership			- 536,879 - 536,879 36,879 10,709
1111 1111 1111 1111 1111	obligations: Limitation on obligations: Real estate loans		— 946 —74,820 — 860 — 55,900 — 143,706 — 143,706		47.10 47.10 71.00 74.47 74.98	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership			- 536,879 - 536,879 36,879 10,709
1111 1111 11111 11111 11111 11150 11210	obligations: Limitation on obligations: Real estate loans		— 946 —74,820 — 860 — 55,900 — 143,706 — 143,706		47.10 	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership	thousands of		- 536,879 - 536,879 36,879 10,709
1111 1111 1111 1111 11111 11111 11150	obligations: Limitation on obligations: Real estate loans				47.10 	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership  Budget authority (authority to borrow, 7 U.S.C. 1929(c))  elation of obligations to outlays: Obligations incurred, net	thousands of		- 536,879 - 536,879 36,879 10,709
1111 1111 11111 11111 11111 11150 11210	obligations: Limitation on obligations: Real estate loans				11.00 47.10 71.00 74.47 74.98 90.00	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership  Budget authority (authority to borrow, 7 U.S.C. 1929(c))  elation of obligations to outlays: Obligations incurred, net	thousands of	dollars)	- 536,875 - 536,875 - 36,875 - 10,705 - 489,295
1111 11111 11111 11111 11111 11110 11210 11231 11234 11251	obligations: Limitation on obligations: Real estate loans		— 946 —74,820 — 860 — 55,900 — 143,706 — 143,706	-4,949 -3,144 8,093	47.10 	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership	thousands of	dollars)	- 536,879 - 536,879 36,879 10,709
1111 1111 11111 11111 11111 11110 11210 11210 11231 11234	obligations: Limitation on obligations: Real estate loans		— 946 —74,820 — 860 — 55,900 — 143,706 — 143,706		11.00 47.10 71.00 74.47 74.98 90.00	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership  Budget authority (authority to borrow, 7 U.S.C. 1929(c))  elation of obligations to outlays: Obligations incurred, net	thousands of	dollars)	- 536,879 - 536,879 36,879 10,700 - 489,299
1111 11111 11111 11111 11111 11110 11210 11231 11234 11251	obligations: Limitation on obligations: Real estate loans			-4,949 -3,144 8,093	11.00 47.10 71.00 74.47 74.98 90.00	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership	thousands of	dollars)	- 536,879 - 536,879 36,879 10,700 - 489,299
1111 1111 1111 11111 11111 11150 11210 11231 11234	obligations: Limitation on obligations: Real estate loans			-4,949 -3,144 8,093	11.00 47.10 71.00 74.47 74.98 90.00 F	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership	thousands of	dollars)	- 536,879 - 536,879 - 536,879 - 10,700 - 489,299 - 195,000 - 700,000
1111 1111 1111 11111 11111 11150 11210 11231 11234	obligations: Limitation on obligations: Real estate loans			-4,949 -3,144 8,093	11.00 47.10 71.00 74.47 74.98 90.00 F	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership	thousands of	dollars)	- 536,879 - 536,879 - 536,879 - 10,700 - 489,299 - 195,000 - 700,000
1111 1111 1111 11111 11111 11150 11210 11231 11234	obligations: Limitation on obligations: Real estate loans			-4,949 -3,144 8,093	11.00 47.10 71.00 74.47 74.98 90.00 F	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership	thousands of	dollars)	- 536,879 - 536,879 - 536,879 - 10,700 - 489,299 - 195,000 - 700,000
1111 1111 1111 11111 11111 11150 11210 11231 11234	obligations: Limitation on obligations: Real estate loans			-4,949 -3,144 8,093	11.00 47.10 71.00 74.47 74.98 90.00  FF 1111 1111 1111 1150	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership	thousands of	dollars)	- 536,879 - 536,879 - 536,879 - 10,700 - 489,299 - 195,000 - 700,000 - 700,000
1111 1111 1111 11111 11111 11150 11210 11231 11234	obligations: Limitation on obligations: Real estate loans			-4,949 -3,144 8,093	11.00  47.10  71.00  74.47  74.98  90.00  F  1111  1111  1150  (1210	Offsetting collections from: Federal funds. Sale of certification of beneficial ownership	thousands of	dollars)	- 536,879 - 536,879 36,879 10,700 - 489,299 - 195,000 195,000 - 700,000

U.S. contingent liability for guaranteed

loans outstanding, end of year .....

2111 Oper.

2150

2231

2290

2299

	Status	of Guara	nteed Lo	oans (ir	thousands	of dollars)	
		ect to ap		on act			
		commitm					- 325,000
							<b>— 325,000</b>
0 1	Total guara	nteed loan	commitm	ents			
out	standing:	ce of gua					
		t of year Disbursemer					
ante	eed loans						33,000
Outsta	nding, end	of year					33.000
	MEMOR	ANDUM					

29.700

Legislation will be proposed to amend Public Law 99-198 which authorizes the loan levels for the farm ownership, operating and emergency disaster loans. Legislation will be proposed to maintain a \$4 billion operating loan program level each year while phasing out the insured operating loan program. Also, no program is proposed for insured and guaranteed farm ownership and emergency disaster loans.

#### Program Levels

[In millions of dollars]

		Proposed legislation budget	
	Regular budget	budget	Change
Agricultural credit insurance fund:		_	
Insured farm ownership loans	\$195		-195
Guaranteed farm ownership loans	325		<b>— 325</b>
Insured farm operating loans	1,305	\$1,500	195
Guaranteed farm operating loans	2,175	2,500	325
Emergency disaster loans	700		<b>—700</b>
Total	4.700	4.000	
Tutai	4,700	4,000	

#### Object Classification (in thousand of dollars)

Identifica	ation code 12-4140-2-3-351	1985 actual	1986 est.	1987 est.
33.0 43.0	Investments and loans			-700,000 -2,580
99.9	Total obligations			-702,580

#### AGRICULTURAL CREDIT INSURANCE FUND, FFB LOAN ASSET PURCHASES

# Program and Financing (in thousands of dollars)

Identificati	ion code 12-7103-0-4-351	1985 actual	1986 est.	1987 est.					
10.00	rogram by activities:  Loan asset purchases (total obligations)  (object class 33.0)	6,815,000	2,255,130	165,705					
11.00 31.00	inancing: Offsetting collections from: Federal sources Redemption of debt		1,250,000 1,250,000	-385,000 385,000					
67.10	Budget authority (authority to borrow) (permanent, indefinite) (12 U.S.C. 2281–96)	6,815,000	2,255,130	165,705					
71.00	elation of obligations to outlays: Obligations incurred, net	2,658,000	1,005,130	<b>– 219,295</b>					
90.00	Outlays	2,658,000	1,005,130	219,295					

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	6,815,000	2,255,130	165,705
Outlays	2,658,000	1,005,130	-219,295
Reduction pursuant to P.L. 99-177:			
Budget authority		-83,420	
Outlays		- 83,420	3,144
Proposed for later transmittal under proposed legis-		,	,
lation:			
Budget authority			- 165,705
Outlays			-165,705
Total:			
Budget authority	6,815,000	2,171,710	
Outlays	2,658,000-	921,710	<b>— 381,856</b>

#### Status of Direct Loans (in thousands of dollars)

Identifica	tion code 12-7103-0-4-351	1985 actual	1986 est.	1987 est.
C	umulative balance of direct loans outstanding:			
1210	Outstanding, start of year	25,517,000	28,175,000	29,180,130
1231	Disbursements: Direct loan			
	disbursements	6,815,000	2,255,130	165,705
1251	Repayments: Repayments			
	and prepayments	<b></b> 4,157,000	— 1,250,000	-385,000
1290	Outstanding, end of year	28,175,000	29,180,130	28,960,835

The activity in this account reflects the certificates of beneficial ownership (CBOs) that are purchased and sold by the Federal Financing Bank in order to finance ACIF's direct lending program. These loan asset financing transactions are attributed to the originating agency consistent with the Balanced Budget and Emergency Deficit Control Act of 1985.

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identificat	tion code 12-7103-6-4-351	1985 actual	1986 est.	1987 est.
	Program by activities:  Loan asset purchases (total obligations)  (object class 33.0)		<b>— 83,420</b>	
11.00 31.00	inancing: Offsetting collections from: Federal sources Redemption of debt			3,144 — 3,144
47.10	Budget authority (authority to borrow) (12 U.S.C. 2281–96)		<b>— 83,420</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		83,420	3,144
90.00	Outlays		-83,420	3,144

C	umulative balance of direct loans out-			
	standing:			
1210	Outstanding, start of year			-83,420
1231	Disbursements: Direct loan disbursements		<b>— 83,420</b>	
1251	Repayments: Repayments and prepayments			3,144
1290	Outstanding, end of year	•••••	<b>— 83,420</b>	- 80,276

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Public enterprise funds-Continued

Identification code 12-7103-2-4-351

# AGRICULTURAL CREDIT INSURANCE FUND, FFB LOANS ASSET PURCHASES

#### (Proposed for later transmittal, proposed legislation)

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-7103-2-4-351	1985 actual	1986 est.	1987 est.
	rogram by activities: Loan asset purchases (object class 33.0)	***************************************		— 165,705
F 47.10	inancing:  Budget authority (authority to borrow) (permanent) (12 U.S.C. 2281–96)			<b>— 165,705</b>
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			165,705
90.00	Outlays	***************************************		<b>— 165,705</b>

#### Status of Direct Loans (in thousands of dollars)

1985 actual

1987 est.

0	Cummulative balance of direct loans out-		
1210	Outstanding, start of year	 	
1231	Disbursements: Direct loan disbursements	 	165,705
1290	Outstanding, end of year	 	-165,705

Legislation will be proposed to amend Public Law 99-198 which authorizes the loan levels for the farm ownership, operating and emergency disaster loans. Beginning in fiscal year 1987, a \$4 billion operating loan program level will be maintained each year while phasing out the insured operating loan program. Also, no program is proposed on insured and guaranteed farm ownership and emergency disaster loans. These schedules reflect the impact of this proposal on sales of CBO's to the FFB.

## Self-Help Housing Land Development Fund

#### Program and Financing (in thousands of dollars)

Identificati	on code 12-4222-0-3-371	1985 actual	1986 est.	1987 est.
	rogram by activities:	1.075		
10.00	Total obligations (object class 33.0)	1,2/5		***************************************
F	nancing:			
14.00	Offsetting collections from: Non-Federal sources	_4	<b>—136</b>	—157
21.98	Unobligated balance available, start of			
	year: Fund balance	-3,716	<b> 2,445</b>	<b>- 2,581</b>
24.98	Unobligated balance available, end of year: Fund balance	2,445	2,581	2,738
39.00	Budget authority		••••••	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,271	-136	-157
72.10	Receivables in excess of obligations, start			
	of year	-11		
72.98	Obligated balance, start of year: Fund bal-			
	ance		1,268	840
74.98	Obligated balance, end of year: Fund bal-			
	ance	-1,268	- 840	<b>— 388</b>
90.00	Outlays	-8	292	295

#### Status of Direct Loans (in thousands of dollars)

***			
Position with respect to appropriations act limitation on obligations:  Limitation on direct loans to the public	2,700		
expiring	<u>-1,425</u>		
Total direct loan obligations	1,275		
Cumulative balance of direct loans out- standing:			
Outstanding, start of year	584	128	425
Disbursements: Direct loan disbursments		425	450
Repayments: Repayments and prepayments		-128	-140
Adjustments: Other adjustments, net	<u>- 456</u>		
Outstanding, end of year	128	425	735
	act limitation on obligations: Limitation on direct loans to the public Unused balance of direct loan limitation expiring  Total direct loan obligations  Total direct loan obligations  Sumulative balance of direct loans outstanding: Outstanding, start of year  Disbursements: Direct loan disbursments  Repayments: Repayments and prepayments Adjustments: Other adjustments, net	act limitation on obligations:  Limitation on direct loans to the public	act limitation on obligations:  Limitation on direct loans to the public

The Self-help housing land development fund is authorized under Section 523(b)(1)(B) of the Housing Act of 1949, as amended. The fund provides qualified public or private nonprofit organizations with financing for the acquisition and development of building sites for homes to be constructed by the self-help method.

No program level is proposed for fiscal year 1987. Functions under this program for fiscal year 1987 and subsequent years will be funded through programs of the Department of Housing and Urban Development.

#### Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Operating income or loss (—):			
Revenue	3	8	17
Expense	-1,374	-1,438	-1,501
Net loss for the year	_1,371	-1,430	-1,484

#### Financial Condition (in thousands of dollars)

	1984 actual	1985 actual	1986 est.	1987 est.
Assets:				
Selected assets:				
Fund balance with Treasury	3,705	3,713	3,421	3,126
Accounts receivable (net)	11	6	10	11
Loans receivable (net)	584	128	425	735
Real property (acquired)		456	456	456
Total assets	4,300	4,303	4,312	4,328
Liabilities:				
Selected liabilities:				
Advances received				
	====			
Government equity:				
Selected equities:				
Unexpended balances:				
Unobligated balance	3,716	2,445	2,581	2,738
Undelivered orders		1,275	850	400
Invested capital	584	583	881	1,191
Total Government equity	4,300	4,303	4,312	4,328
Analysis of changes in Government e	quity:			
Paid-in capital:				
Opening balance		15,377	16,750	18,188
Transactions:				
Unfunded administrative expense		648	680	714
Unfunded accrued annual leave.		2	2	2
Unfunded depreciation expense.		2	2	2
Imputed interest		721	754	783
Closing balance	•••••	16,750	18,188	19,689

Retained income or loss (—): Opening balance Transactions: Net operating loss	11,076 1,371	12,447 1,430	— 13,877 — 1,484
Closing balance	—12,447	— 13,877	15,361
Total Government equity (end of period)	4,303	4,312	4,328

#### RURAL HOUSING INSURANCE FUND\*

\*See Part II for additional information.

From funds in the Rural Housing Insurance Fund, not to exceed \$10,000,000 shall be available to enter into collection and servicing contracts pursuant to the provisions of section 3(f)(3) of the Federal

Claims Act of 1966 (31 U.S.C. 952).

For an additional amount to reimburse the Rural Housing Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1483, 1487e, and 1490a(c)), \$2,714,566,000, including \$2,247,000 as authorized by section 521(c) of the Act. For an additional amount as authorized by section 521(c) of the Act, such sums as may be necessary to reimburse the fund to carry out a rental assistance program under section 521(a)(2) of the Housing Act of 1949, as amended.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Program and Financing (in thousands of dollars)

Identificati	on code 12-4141-0-3-371	1985 actual	1986 est.	1987 est.
Pi	rogram by activities:			
	Capital investment:			
00.01	Loans obligated	2,718,374	2,127,600	
	Loans made:			
00.02	Payment of delinquent in-			
	stallments	327	250	200
00.03	Advances on behalf of bor-			
	rowers	34,002	35,600	37,000
00.04	Purchase of loans from inves-			
	tors	54,867	55,000	2,000
00.05	Purchase of certificates of			
	beneficial ownership	2,268,547	82,700	160,017
00.07	Collateral acquired by default	57,454	65,000	62,000
80.00	Judgments	21		
00.09	Disbursement of loan repay-			
	ments to investors	38,373	30,000	22,000
00.01	Total assital investment	E 171 005	0.200.150	202.017
00.91	Total capital investment	5,171,965	2,396,150	283,217
	Operating expenses:			
01.01	Administrative expense	8,215	56,000	56,000
01.02	Interest on certificates of ben-	0,0	55,555	33,000
	eficial ownership 1	3.471.801	3,608,200	3,665,930
01.03	Premium interest for investors	2,261	2.100	1,300
01.04	Interest on participation certif-	2,202	2,200	1,000
	icates.	5.013	5.013	5.013
01.05	Interest expense on withheld	0,010	7,020	3,525
01.00	collections	3.101	3.000	2,900
01.06	Interest on borrowings	205,845	254,000	209,200
01.07	Interest supplements	704	500	400
01.08	Rental assistance payments	115,994	167,513	
01.10	Loss settlement expense on	110,00	20.,020	
01.10	guaranteed loans	426	350	300
01.11	Other expense	5,342	4.000	4,000
01.91	Total operating expenses	3,818,702	4,100,676	3,945,043
10.00	Total obligations	8,990,667	6,496,826	4,228,260
		0,550,007	0,430,020	4,220,200
	nancing: Offsetting collections from: Federal funds:			
11.00	Investment income from par-			
	ticipations sales fund	<b></b> 9,709	<b> 9,542</b>	10,047
11.00	Sales of certificates of bene-			
	ficial ownership	-3,695,000	-801,000	

	Non-Federal sources:			
14.00	Repayments on loans held by			
14.00	the fund	-1,257,519	-1,370,000	-1,444,000
14.00	Loan repayments received on	-1,237,313	-1,370,000	- 1,444,000
14.00	behalf of investors	-38,373	-30,000	- 22,000
14.00	Repayments on advances	-36,373 -16,083	-30,000 $-19,600$	- 22,000 - 22,200
			,	,
14.00	Sale of loans	-25,347	— 20,000	<b>-6,000</b>
14.00	Proceeds from sale of ac-	71.005	00.000	04.000
14.00	quired property	<b>—71,685</b>	<b>- 90,000</b>	— 94,000
14.00	Payments on judgments	<b>-98</b>	-375	-375
14.00	Insurance premiums	80	<b>—</b> 50	<b>—</b> 50
14.00	Guarantee fees	—17		
14.00	Interest revenue <sup>2</sup>	<i>—</i> 1,342,452	<i>—</i> 1,472,300	-1,515,400
14.00	Principal attributed to subsi-			
	dy recoveries	<b>-</b> 5,810	<b>—</b> 9,300	-13,000
14.00	Subsidy recoveries	<b> 4,793</b>	-7,700	10,800
14.00	Fees and other revenue	-2,027	-2,000	- 2,000
14.00	Repayments on guaranteed			
	loans purchased from in-			
	vestors	-1		
14.00	Sale of loans without re-			
	course			- 32,000
22.98	Unobligated balance transferred,			52,000
22.00	net	205		
32.47	Balance of authority to borrow	200		***************************************
02.47	withdrawn		***************************************	1,810,046
39.00				
39.00	Budget authority	2,521,879	2,664,959	2,866,434
	Budget authority			
	Budget authority			
В	Budget authority  Tudget authority:  Current:  Appropriation	<b>2,521,879</b> 1,843,927	<b>2,664,959</b> 1,843,927	<b>2,866,434 2,714,566</b>
40.00 40.00	Budget authority  udget authority: Current: Appropriation	2,521,879	2,664,959	2,866,434
B 40.00	Budget authority  udget authority:  Current:  Appropriation  Appropriation (indefinite)  Reduction pursuant to P.L. 99–	2,521,879 1,843,927 103,810	2,664,959 1,843,927 163,420	2,866,434 2,714,566 151,868
40.00 40.00	Budget authority  udget authority: Current: Appropriation	<b>2,521,879</b> 1,843,927	<b>2,664,959</b> 1,843,927	<b>2,866,434 2,714,566</b>
40.00 40.00 40.00	Budget authority	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064	2,866,434 2,714,566 151,868
40.00 40.00	Budget authority	2,521,879 1,843,927 103,810	2,664,959 1,843,927 163,420	2,866,434 2,714,566 151,868
40.00 40.00 40.00 40.00	Budget authority	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064	2,866,434 2,714,566 151,868
40.00 40.00 40.00	Budget authority	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064	2,866,434 2,714,566 151,868
40.00 40.00 40.00 40.00	Budget authority:  Current: Appropriation	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064  1,996,283	2,866,434 2,714,566 151,868
40.00 40.00 40.00 40.00	Budget authority	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064	2,866,434 2,714,566 151,868
40.00 40.00 40.00 43.00 67.10	Budget authority	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064  1,996,283	2,866,434 2,714,566 151,868
40.00 40.00 40.00 40.00 43.00 67.10	Budget authority	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064 1,996,283  668,676	2,866,434 2,714,566 151,868 2,866,434
40.00 40.00 40.00 43.00 67.10	Budget authority	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064  1,996,283	2,866,434 2,714,566 151,868
40.00 40.00 40.00 43.00 67.10	Budget authority	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064  1,996,283  668,676  2,664,959	2,866,434 2,714,566 151,868 
40.00 40.00 40.00 43.00 67.10 R 71.00	Budget authority:  Current: Appropriation	2,521,879  1,843,927 103,810  1,947,737  574,142  2,521,674 4,972,618	2,664,959  1,843,927 163,420 —11,064  1,996,283  668,676  2,664,959 5,061,446	2,866,434 2,714,566 151,868 2,866,434 1,056,388 4,770,122
40.00 40.00 40.00 43.00 67.10	Budget authority:  Current: Appropriation	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064  1,996,283  668,676  2,664,959	2,866,434 2,714,566 151,868 
40.00 40.00 40.00 43.00 67.10 R 71.00 72.47 72.98	Budget authority:  Current:  Appropriation	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064 1,996,283  668,676  2,664,959 5,061,446 31,027	2,866,434  2,714,566 151,868  2,866,434  1,056,388 4,770,122 45,551
40.00 40.00 40.00 43.00 67.10 R 71.00 72.47 72.98 74.47	Budget authority:  Current: Appropriation	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064 1,996,283  668,676  2,664,959 5,061,446 31,027 —4,770,122	2,866,434  2,714,566 151,868  2,866,434  1,056,388 4,770,122 45,551  -3,420,076
40.00 40.00 40.00 43.00 67.10 R 71.00 72.47 72.98	Budget authority:  Current:  Appropriation	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064 1,996,283  668,676  2,664,959 5,061,446 31,027	2,866,434  2,714,566 151,868  2,866,434  1,056,388 4,770,122 45,551
40.00 40.00 40.00 43.00 67.10 R 71.00 72.47 72.98 74.47	Budget authority:  Current: Appropriation	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064 1,996,283  668,676  2,664,959 5,061,446 31,027 —4,770,122	2,866,434  2,714,566 151,868  2,866,434  1,056,388 4,770,122 45,551  -3,420,076
40.00 40.00 40.00 43.00 67.10 71.00 72.47 72.98 74.47 74.98	Budget authority:  Current:  Appropriation	2,521,879  1,843,927 103,810	2,664,959  1,843,927 163,420 —11,064 1,996,283  668,676  2,664,959 5,061,446 31,027  -4,770,122 -45,551	2,866,434  2,714,566 151,868  2,866,434  1,056,388  4,770,122 45,551  -3,420,076 -376,059

1 Interest subsidy to the Federal Financing Bank included in this item that represents a subsidy paid or to be paid by FmHA rather than the borrower: 1985, \$2,101,879 thousand; 1986, \$2,128,073 thousand; 1987, \$2,149,028 thousand

<sup>2</sup> Amounts of interest revenue included in this item that represent the interest on unsold loans held by the account: 1985, \$17,979 thousand; 1986, \$27,349 thousand; 1987, \$21,449 thousand.

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]							
	1985 actual	1986 estimate	1987 estimate				
Enacted/requested:							
Budget authority	2,521,879	2,664,959	2,866,434				
Outlays	2,385,364	2,941,759	2,075,926				
Reduction pursuant to P.L. 99-177:							
Budget authority		<b> 49,914</b>	-1,200				
Outlays		<b>— 268</b>	-30,700				
Rescission proposal:							
Budget authority		-351,476					
Outlays		-16,100	<b>— 229,712</b>				
Total:							
Budget authority	2,521,879	2,263,569	2,865,234				
Outlays	2,385,364	2,925,391	1,815,514				

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Public enterprise funds-Continued

RURAL HOUSING INSURANCE FUND—Continued

Status of Direct Loans (in thousands of dollars)

Identificat	tion code 12-4141-0-3-371	1985 actual	1986 est.	1987 est.
P	Position with respect to appro- priations act limitation on obligations:			
1111	Limitation on direct loans to the public	3,238,000	2,127,600	***************************************
1112	Unused balance of direct loan limi- tation expiring	<b>—519,626</b>		
1150	Total direct loan obligations	2,718,374	2,127,600	
C	umulative balance of direct			
1210	loans outstanding: Outstanding, start of year Disbursements:	435,332	329,034	777,346
1231 1233	Direct loan disbursements Purchases of loan assets from	2,721,694	2,565,000	1,057,000
1234	the publicPurchases of loan assets from	213,414	137,700	12,017
1254	the FFB	2,110,000		150,000
1251 1253	Repayments and prepayments Loan asset sales to the public	-1,273,602 -25,347	1,389,600 20,000	- 1,466,200 - 106,000
1254	Loan asset sales to the FFB Adjustments:	-3,695,000	801,000	
1262 1264	Write-offs for default Other adjustments, net 1	15,225 142,232	— 15,830 — 27,958	16,400 14,700
1290	Outstanding, end of year	329,034	777,346	422,463

<sup>&</sup>lt;sup>1</sup> Amounts shown are based on capitalized interest, payment of delinquent installments, advances, acquired property, and gains/losses on assumptions.

Status of Guaranteed Loans (in thousands of dollars)

С	umulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year  Disbursements:	993,054	755,466	616,186
2231	Disbursements of new guaran-			
	teed loans	266		
2232	Guarantees of loans sold to the			
0051	public	25,347	20,000	6,000
2251	Repayments: Repayments and pre-	25.250	20.000	12 000
	paymentsAdiustments:	<b>— 25,259</b>	-20,000	— 13,900
2262	Terminations for default that			
	result in acquisition of prop-			
	erty	<b>— 46</b>	-30	***************************************
2263	Terminations for default that			
0004	result in claim payments	-474		
2264	Other adjustments, net 1	237,422		
2290	Outstanding, end of year	755,466	616,186	595,069
	MEMORANDUM			
2299	U.S. contingent liability for guaranteed loans outstanding, end			
	of year	752,625	613,545	592,618

<sup>1</sup> Amounts shown are based on purchase of loans from investors and acquired property.

Rural housing insurance fund.—This fund was established in 1965 (Public Law 89–117) pursuant to section 517 of title V of the Housing Act of 1949, as amended. This fund may be used to insure or guarantee rural housing loans for single family homes, rental and cooperative housing, farm labor housing, rural housing sites and to make rental assistance payments authorized by Section 521(a). Loan programs are limited to rural areas which include towns, villages, and other places which are not part of an urban area and which have a popula-

tion not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

The 1987 budget proposes to terminate rural housing programs under this account. The functions under these programs are proposed to be transferred to the Department of Housing and Urban Development.

The major programs currently funded through the Rural Housing Insurance Fund are:

Section 504 very low-income housing repair loans.— Home repair loans for very low-income owner/occupants are made from amounts available in this fund. These loans are made to families and individuals to repair their dwellings in order to make them safe and to remove health hazards. The loans are made at 1 percent interest for a term of not more than 20 years and presently carry a maximum lifetime assistance level (loan or combination loan and grant) of \$7,500. No program is proposed for 1987.

Section 502 very low and low to moderate income housing loans.—Individual home ownership loans are made to very low, low and moderate income individuals and families who are unable to obtain home ownership financing from conventional sources on terms they reasonably can be expected to meet. Loans may be made to eligible applicants to construct, improve, alter, repair, or replace dwellings, and may include funds to purchase a conventionally constructed or manufactured house and related building sites. These loans generally have a term of up to 33 years and currently bear a note rate based on the cost of Treasury borrowings. However, interest credits may reduce a borrower's effective interest rate to as low as 1 percent. No program is proposed for 1987.

Section 514 domestic farm labor housing loans.— These loans are made to farm owners, public or private nonprofit organizations of farm workers to provide modest living quarters, basic household furnishings, and related facilities, including the land necessary for an adequate site for domestic farm labor or Indian tribe housing. Loans bear interest at 1 percent and in some cases may be made in conjunction with a domestic farm labor housing grant. No program is proposed for 1987.

Section 515 domestic rural rental housing loans.—Rural rental and cooperative housing loans are made to individuals, corporations, partnerships, Indian tribes and public bodies with the objective of providing low-rent housing and related facilities for elderly or handicapped persons or families of low or moderate income. These loans bear a note rate based on the cost of Treasury borrowings and may be subsidized to a rate as low as 1 percent through interest credits and terms up to 50 years. This subsidy permits rents to be adjusted to a level that lower income families can afford to pay.

Section 521 rural rental assistance.—The objective of the rental assistance program is to reduce rents paid by low-income families living in FmHA financed rental projects and farm labor housing projects. Payments from the fund are made to the project owner to make up the difference between the tenant's payment and the approved rental rate established for the unit. No program is proposed for 1987.

Section 524 rural housing site loans.—Site development loans are made for the purchase and development of land to be subdivided into building sites and sold on a nonprofit basis to low- and moderate-income families or to organizations for rental or cooperative housing. These loans have a term of 2 years and currently bear a note rate based on the cost of Treasury borrowing. No program is proposed for 1987.

The fiscal year 1987 Budget proposes to conduct a pilot program of loan asset sales without recourse to institutional and individual investors. The pilot program is proposed to commence in fiscal year 1987 with a sale of \$100 million of rural housing loans, and continue in similar amounts for each year through fiscal year 1991.

The following table shows 1985 actual and estimated 1986 number of units and program levels:

#### RURAL HOUSING PROGRAMS—OBLIGATIONS

[Oollars in thousands]							
		1985	actual	1986 е.	stimate	1987 e.	stimate
	lized housing loan as-	No. of units	Amount	No. of units	Amount	No. of units	Amount
Lov	sistance: v-income housing loans to individuals (insured):						
	Purchase of new dwellingsPurchase of existing	26,134	1,115,797	19,590	870,000		
	dwellings	13,959	641,916	10,480	501,800		
Ver	dwellingsy low-income housing	708	23,112	530	18,200		
	repair loans (direct) al rental housing	2,315	7,897	4,230	15,000	•••••	
	loans (insured) m labor housing loans	25,687	903,336	19,140	700,000		
	(insured)	666	17,588	500	12,000		
	Subtotal, subsidized housing loan assistance	69,469	2,709,646	54,470	2,117,000		
Lov	sidized housing loan assistance: v or moderate income						
Rui	loans (servicing) and repairsral rental housing site		·		,		
	loans (insured)		<u></u>		600		
	Subtotal, unsubsi- dized housing loan assistance		8,728		10,600		
Rural	Total loan assist- ancerental assistance pay-	69,469	2,718,374	54,470	2,127,600		
	nts	(10,500)	115,994	(15,163)	167,513		
	Total housing pro- grams	69,469	2,834,368	54,470	2,295,113		

Note.—All unit information is preliminary. All amount information is subject to minor shifts between some categories. The units for rural rental assistance are included in number of units assisted in the corresponding loan programs. The site loan program provides homesites rather than dwelling units.

The new budget authority required for "Insufficiencies" is computed as follows (in thousands of dollars):

	1985 actual	1986 estimate	1987 estimate
Interest accrued on participation certificates	5,013	5,013	5,013
Amortized discount on participation certificates	10	10	10
Interest accrued on an equal amount of loans in			
the pool	18		
Insufficiency	5,041	5,023	5,023
Financed by:			
Investment income from participation sales trust			
fund	9,709	9,542	10,047
Retained earnings reserved for future insufficien-			
cies	4,668	4,519	5,024
Now obligational authority			
New obligational authority			

#### Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Operating income or loss (—):			
Revenue	1,434,240	1,577,152	1,627,037
Expense	- 5,955,074	-6,294,594	<b>-6,476,507</b>
Net operating loss	- 4,520,833	<b>-4,717,442</b>	<b>-4,849,470</b>
Nonoperating income or loss (—):  Proceeds from sale of acquired property and loans without recourse:			
Cash	72.551	90.000	126.000
Loans receivable	428,472	540,000	560,000
Total proceeds from sale	501,024	630,000	686,000
Net book value of assets sold	<b>— 624,319</b>	<b>— 755,820</b>	- 884,480
Net nonoperating loss	-123,295	— 125,820	— 198,480
Net loss for the year	<b>-4,644,128</b>	<b></b> 4,843,262	- 5,047,950

#### Financial Condition (in thousands of doilars)

	1984 actual	1985 actual	1986 est.	1987 est.
Assets:				
Selected assets:				
Fund balance with				
Treasury	63,859	31,027	45,551	376,05
Accounts receivable				
(net)	245,265	259,857	264,386	269,4
Interest collections				
held by or for trust-				
ee	44			
Interest collections				
held in escrow for				
trustee	-21			
Loans receivable (net)	416,924	324,638	773,639	422,1
Real property	441,601	530,988	502,668	421,5
Other assets (net):				
Judgments	411	1,477	1,360	9
Guaranteed Ioans				
purchased from				
holders	62	61	61	
Deferred charges				
and unamortized				
discount on par-				
ticipation certifi-				
cates and loans	1 0 4 0			_
sold	1,343	291	270	2
Total assets	1,169,488	1,148,338	1,587,935	1.490.5
iabilities:				
Selected liabilities:				
Accounts payable				
and accrued li-				
abilities	1,420,753	1,534,736	1,698,741	1,698,4
	4	4	4 4 4 4 4 4 4	4 4 4 4

144.066

172.098

166,528

169.128

Advances received ...

Public	enterprise	funds-C	Continued	
	RURAL	Housing	Insurance	Fund—Continued
	Financ	ial Condition	n (in thousands	of dollars) — Continued

	1984 actual	1985 actual	1986 est.	1987 est.
Debt issued under				
borrowing				
authority:				
Borrowings from				
Treasury	3,380,718	3,785,718	4,745,718	4,285,718
Participation certifi-				
cates outstanding	80,287	80,287	80,287	80,287
Principal repay-				
ments to be ap-				
plied to redemp-				
tion of participa-				
tion certificates	<b>71,671</b>	<b>71,671</b>	<b>—71,671</b>	—71 <b>,</b> 671
Principal collections				
held in escrow				
for trustee	204			
Other liabilities:				
Provision for poten-				
tial losses on				
loans sold or				
guaranteed	200,032	411,372	428,197	425,820
Total liabilities	5,154,389	5,912,540	7,050,400	6,585,154
=				
overnment equity: Selected equities:				
Unexpended bal- ances: Undeliv-				
	3,716,946	3,645,497	3,212,190	2 002 229
ered orders	3,710,940	3,043,437	3,212,190	2,003,32
Unfinanced budget				
authority: Bor- rowing authority	<b>-4,972,618</b>	- 5,061,446	<b>-4,770,122</b>	<b>— 3,420,07</b> 6
	-4,372,010 -2,729,229	-3,001,440 $-3,348,253$	-4,770,122 $-3,904,533$	
ilivesteu capitai	- 2,729,229	- 3,340,233	- 3,904,333	3,677,886
Total Government				
equity	- 3,984,901	-4,764,202	<b></b> 5,462,465	5,094,640
nalysis of changes in (	2nvernment			
equity:	20101111110111			
Paid-in capital:				
Opening balance		7,014,903	8,931,994	11,080,71
Transactions:		.,,	0,101,101	,000,
Unfunded administrativ	e expense	173,262	180,000	180,000
Unfunded accrued ann		646	700	70
Unfunded depreciation		510	550	550
Imputed interest		1,742,673	1,967,467	2,368,09
Closing balance	***************************************	8,931,994	11,080,711	13,630,05
Datained income or less (	Λ.			
Retained income or loss ( — Opening balance		-10,999,805	-13,696,197	16 5 40 17
opening balance		- 10,555,605	-13,030,137	-16,543,17
Trancactions		4 500 000	4 717 442	4 940 47
Transactions:		4,520,833	- 4,717,442	-4,849,47
Net operating loss			125,820	- 198,48
Net operating loss Net nonoperating loss		- 123,295	1 022 062	
Net operating loss Net nonoperating loss Appropriation to meet	deficit	1,843,927	1,832,863	2,/14,00
Net operating loss Net nonoperating loss Appropriation to meet Appropriation for renti	deficital assistance	1,843,927		
Net operating loss Net nonoperating loss Appropriation to meet Appropriation for rent. payments	deficit al assistance	1,843,927	163,420	
Net operating loss Net nonoperating loss Appropriation to meet Appropriation for renti	deficit al assistance	1,843,927		2,714,560 151,860 —18,724,693
Net operating loss Net nonoperating loss Appropriation to meet Appropriation for rent. payments	deficital assistance	1,843,927	163,420	151,86

Note.—This statement excludes unfunded contingent liabilities under insurance programs in principal amounts in 1984, \$27,756,109 Housand; 1985, \$29,103,625 thousand; 1986, \$29,765,545 thousand; 1987, \$29,594,618 thousand.

#### Object Classification (in thousands of dollars)

Identifica	tion code 12-4141-0-3-371	1985 actual	1986 est.	1987 est.
25.0	Other services	15,015	60,350	60,300
33.0	Investments and loans	5,133,874	2,366,150	261,217
41.0	Grants, subsidies, and contributions	116,698	168.013	400
43.0	Interest and dividends	3.682.726	3,867,300	3.879.330
43.0	Interest on participation certificates	5,013	5,013	5,013

44.0 92.0	Refunds	38,373 — 1,032	30,000	22,000
99.9	Total obligations	8,990,667	6,496,826	4,228,260

# Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identifical	tion code 12-4141-6-3-371	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		-100,000	-6,000
		***************************************	-100,000	- 0,000
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds: Sales of certifi-		40.000	
	cates of beneficial ownership		49,000	••••••
14.00	Non-Federal sources:			
14.00	Repayments on loans held by the fund		487	2.00
14.00	Loan repayments received on		407	2,000
14.00	behalf of investors		600	2,400
32.47	Balance of authority to borrow	••••••	000	2,400
JE. 47	withdrawn			400
40.00	Budget authority (appro-			
	priation)	•••••	-49,914	<b>— 1,20</b> 0
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-49.914	-1.600
	Obligated balance, start of year:		,	-,
72.47	Authority to borrow			-49,046
72.98	Fund balance			-600
	Obligated balance, end of year:			
74.47			49,046	49,446
74.98	Fund balance		600	- 28,900
90.00	Outlays		-268	-30,700

#### Status of Direct Loans (in thousands of dollars)

Identifica	tion code 12-4141-6-3-371	1985 actual	1986 est.	1987 est.
1111	Position with respect to appro- priations act limitation on obligations: Limitation on direct loans to the			
1111	1.41		91,487	
1150	Total direct loan obligations		<b>— 91,487</b>	
(	Cumulative balance of direct loans outstanding:			
	Outstanding, start of year			••••••
1210	Disbursements:			
1210 1231	Direct loan disbursements		<b>— 49,487</b>	-29,000
	Direct loan disbursements Repayments:		49,487 487	29,000 2,000
1231	Direct loan disbursements			,

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RURAL HOUSING INSURANCE FUND, FFB LOAN ASSET PURCHASES\* \*See Part II for additional information.

Identification code 12-7104-0-4-371	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Loan asset purchases (total obligations) (object class 33.0)	3,695,000	801,000	
Financing: 11.00 Offsetting collections from: Federal			
sources	-2,110,000		150,000

31.00	Redemption of debt	2,110,000		150,000
67.10	Budget authority (authority to borrow) (permanent, indefinite) (12 U.S.C. 2281-96)	3,695,000	801,000	
71.00	Relation of obligations to outlays: Obligations incurred, net	1,585,000	801,000	- 150,000
90.00	Outlays	1,585,000	801,000	-150,000

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	3,695,000	801,000	
Outlays	1,585,000	801,000	-150,000
Reduction pursuant to P.L. 99-177:			
Budget authority		49,000	
Outlays		-49,000	
Rescission proposal:			
Budget authority		-361,000	***************************************
Outlays		-361,000	
Total:			
Budget authority	3,695,000	391,000	
Outlays	1,585,000	391,000	-150,000
Status of Direct Loans (in 1	thousands of	dollars)	

	Status of Direct Loans (in thousands of dollars)					
Identifica	tion code 12-7104-0-4-371	1985 actual	1986 est.	1987 est.		
C	Cumulative balance of direct loans outstanding:					
1210 1231	Outstanding, start of year Disbursements: Direct loan dis-	26,766,000	28,351,000	29,152,000		
1251	bursements	3,695,000	801,000			
	payments					
1290	Outstanding end of year	28 351 000	29 152 000	29 002 000		

The activity in this account reflects the certificates of beneficial ownership (CBOs) that are purchased and sold by the Federal Financing Bank in order to finance RHIF's direct lending program. These loan asset financing transactions are attributed to the originating agency consistent with the Balanced Budget and Emergency Deficit Control Act of 1985.

## Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-7104-6-4-371	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Loan asset purchases (total obligations)		<b>—49,000</b>	
	inancing: Budget authority (authority to borrow)		<b>-49,000</b>	
71.00	elation of obligations to outlays: Obligations incurred, net	•••••	-49,000	
90.00	Outlays		<b>— 49,000</b>	
	Status of Direct Loans (in t	housands of	dollars)	
C	umulative balance of direct loans out-			
1210 1231	standing: Outstanding, start of year Disbursements: Direct loan disbursements		<u>49,000</u>	<u>49,000</u>
1290	Outstanding, end of year		<b>— 49,000</b>	<b>— 49,000</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### RURAL DEVELOPMENT INSURANCE FUND

For an additional amount to reimburse the Rural Development Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), \$736,619,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code 12-4155-0-3-452	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Capital investment:			
00.01	Loans obligated	455,000	440,000	***************************************
00.02	Loans made: Advances on	0.1	0.0	0.5
00.00	behalf of borrowers	21	30	25
00.03	Purchase of loans from inves-	10.000	770	
00.04	tors	10,652	773	69
00.04	Purchase of certificates of ben- eficial ownership	642,136	40.000	5 270
00.06	Collateral acquired by default	82	40,800	5,279
00.07	Disbursement of loan repay-	02	***************************************	
00.07	ments to investors	10,392	11,500	12,500
00.08	Purchase of guaranteed loans	10,002	11,000	12,300
00.00	from investors	81,665	75,000	66,000
00.09	Interest on guaranteed loans	01,000	70,000	00,000
	purchased from investors	6,515	9,500	8,520
	· ·			
00.91	Total capital investment	1,206,463	577,603	92,393
	Operating expenses:			
01.01	Administrative expenses	288	15,580	350
01.02	Interest on certificates of bene-	200	10,000	330
01.02	ficial ownership	922,349	983,400	980,800
01.03	Premium interest for investors	3,907	3,820	3,575
01.04	Interest expense on withheld	0,007	0,020	0,070
02101	collections	464	425	400
01.05	Interest on borrowings	167,141	185,750	209,500
01.06	Loss settlement expense on	- ,-	,	
	guaranteed loans	45,747	37,700	35,560
01.08	Undistributed charges	100		
01.01	T. 1.1	1 120 000	1,000,075	1 000 105
01.91	Total operating expenses	1,139,996	1,226,675	1,230,185
10.00	Total obligations	2,346,459	1,804,278	1,322,578
		_,,	-,,-	,- ,
F	inancing:			
11.00	Offsetting collections from:			
11.00	Federal funds: Sale of certifi- cates of beneficial ownership	-1,010,000	- 343,978	
	Non-Federal sources:	- 1,010,000	-343,310	
14.00	Repayment on loans held by			
14.00	the fund	-158,397	<b>— 170,055</b>	<b>— 177,800</b>
14.00	Loan repayments received on	- 100,007	170,000	177,000
1 1.00	behalf of investors	-10,517	-11,500	-12,500
14.00	Repayments on advances	— 24	-100	<b>—75</b>
14.00	Repayment on guaranteed			
	loans purchased from in-			
	vestors	-24,260	-29,100	<b>— 30,200</b>
14.00	Proceeds from sale of ac-	,		
	quired property	<b>—23</b>	<b>—25</b>	<b>—20</b>
14.00	Guarantee fees	-1,256	<b> 2,400</b>	<b>—1,500</b>
14.00	Interest revenue	-421,905	-433,651	<b>— 455,593</b>
14.00	Guaranteed loss recoveries	<b>— 194</b>		
14.00	Other revenue	-69		
14.00	Insurance premium	<b>—2</b>	-2	-2
14.00	Sale of loans without re-			
	course	•••••	•••••	<b>-63,000</b>
32.47	Balance of authority to borrow			
	withdrawn			154,731
39.00	Budget authority	719,812	813,467	736,619
	Dudget authority	713,012	010,40/	750,019
В	Sudget authority:			
	Current:			
40.00	Appropriation	560,005	560,005	736,619

# Public enterprise funds-Continued

#### RURAL DEVELOPMENT INSURANCE FUND—Continued

#### Program and Financing (in thousands of dollars) - Continued

Identifica	tion code 12-4155-0-3-452	1985 actual	1986 est.	1987 est.
40.00	Reduction pursuant to P.L. 99–			
43.00	Appropriation (adjusted) Permanent:	560,005	556,645	736,619
67.10	Authority to borrow (7 U.S.C. 1929 a(d)) (indefinite)	159,807	256,822	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net Obligated balance, start of year:	719,812	813,467	581,888
72.47	Authority to borrow	1.948.810	1,803,251	1,890,073
72.98	Fund balance Obligated balance, end of year:	10,218	56,209	21,103
74.47	Authority to borrow	-1.803,251	-1.890.073	-1.480.342
74.98	Fund balance	- 56,209	-21,103	-11,554
77.00	Adjustments in expired accounts	<b>- 95,366</b>		
90.00	Outlays	724,014	761,751	1,001,168

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

#### [In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	719,812	813,467	736,619
Outlays	724,014	761,751	1,001,168
Reduction pursuant to P.L. 99-177:			
Budget authority		-18,290	2,911
Outlays		-18	-11
Total:			
Budget authority	719,812	795,177	739,530
Outlays	724,014	761,733	1,001,157

#### Status of Direct Loans (in thousands of dollars)

Identificat	tion code 12-4155-0-3-452	1985 actual	1986 est.	1987 est.
P 1111	Position with respect to appro- priations act limitation on obligations: Limitation on direct loans to the			
1111	public	455,000	440,000	***************************************
1150	Total direct loan obligations	455,000	440,000	
C	Cumulative balance of direct			
1210	loans outstanding: Outstanding, start of year Disbursements:	104,886	64,588	60,463
1231 1233	Direct loan disbursements	473,191	467,100	412,800
1233	Purchase of loan assets from the public Purchase of loan assets from	57,813	11,573	5,348
1234	the FFBRepayments:	595,000	30,000	
1251 1253	Repayments and prepayments Loan asset sales to the public	158,421	—170,155 	177,875 63,000
1254	Loan asset sales to the FFB Adjustments:		<b>— 343,978</b>	
1261	Capitalized interest	2,391	2,200	2,100
1262	Write-offs for default	<b>—368</b>	- 520	<b>- 580</b>
1264	Other adjustments, net 1	96	345	37,400
1290	Outstanding, end of year	64,588	60,463	201,856

<sup>&</sup>lt;sup>1</sup> Amounts shown are based on advances on behalf of borrowers, acquired property, sale of loans without recourse, and loans in kind-acquired real property. The 1987 amount includes the discount on the sale of loan assets.

#### Status of Guaranteed Loans (in thousands of dollars)

F	Position with respect to appro- priations act limitation on commitments:			
2111	Limitation on guaranteed loans	150.000	100.000	
2112	made by private lenders Unused balance of limitation expir-	150,000	100,000	***************************************
2112	ing 1	- 88,662		
2150	Total guaranteed loan com-			
	mitments	61,338	100,000	
2210 2231	loans outstanding: Outstanding, start of year Disbursements: Disbursements of new guaran-	3,205,939	2,911,727	2,689,757
	Disbursements:	3,203,333	2,511,727	2,009,737
2251	teed loans	175,616	226,500	138,520
2231	payments	<b>— 413,193</b>	-389,705	<b>— 245,430</b>
2263	Terminations for default that			
0004	result in claim of payments	54,840	-47,092	42,640
2264	Other adjustments, net 2	<u>-1,795</u>	<u>— 11,673</u>	
	Outstanding, end of year	2,911,727	2,689,757	2,534,809

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2 Amounts shown are based on repurchases of CBO's, loans purchased from investors, and other.

MEMORANDUM

U.S. contingent liability for guar-

anteed loans outstanding, end

2299

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419), approved August 30, 1972, which also provided for transfer of the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities to this fund. The 1985 farm bill, signed December 23, 1985, extends authorization of the RDIF through fiscal year 1988.

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas.

The objective of the water and waste disposal loan program is to provide assistance to enable eligible borrowers (communities and others) to attain basic human amenities, to alleviate health hazards, to promote the orderly growth of rural areas by meeting the need for financing new and improved rural water and waste disposal systems and to meet National Clean Water Standards and the requirements of the Safe Drinking Water Act.

Water and waste disposal development loans may be made to organizations including certain Indian tribes, corporations not operated for profit, and public and quasi-public agencies for the development, storage, treatment, purification, or distribution of water and/or the collection, treatment, or disposal of waste in rural areas. Loans are made for facilities which primarily serve farmers, ranchers, farm tenants, farm laborers, and other rural residents in rural areas which shall not include any areas in any city or town having a population in excess of 10,000 inhabitants according to the latest decennial census of the United States. These loans are repayable in terms not to exceed the useful

life of the facility or 40 years, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans made in areas where the median household income falls below the poverty level and the project is needed to meet health or sanitary standards bear interest not in excess of 5 percent. An intermediate rate, which is the poverty line rate plus one-half the difference between the 5 percent and the market rate, applies when the loan does not meet the requirements of the poverty line rate and the median household income of the service area is not more than 85 percent of the nonmetropolitan median household income of the State. No program is proposed for fiscal year 1987. Assistance to rural communities will be provided by the Department of Housing and Urban Development's Community Development Block Grant Program, state and local governments, and commercial sources.

The objective of the community facility loan program is to assist rural communities in developing or improving essential community facilities.

Community facility loans may be made to organizations including certain Indian tribes, corporations not operated for profit, and public and quasi-public agencies for the purposes of constructing, enlarging, extending, or otherwise improving community facilities which provide essential services to rural residents and contribute to the overall development of the community. Such facilities include those that provide fire and rescue services, health care, hydroelectric generation, and community, social, and cultural benefits. Loans are made for facilities which primarily serve farmers, ranchers, farm tenants, farm laborers, and other rural residents in rural areas which shall not include any area in any city or town having a population in excess of 20,000 inhabitants according to the latest decennial census of the United States. These loans are repayable in terms not to exceed the useful life of the facility or 40 years, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those made in areas where the median household income falls below the poverty level and the project is needed to meet health or sanitary standards bear interest not in excess of 5 percent. An intermediate rate, which is the poverty plus one-half the difference between the 5 percent and the market rate, applies when the loan does not meet the requirements of the poverty line rate and the median household income of the service area is not more than 85 percent of the nonmetropolitan median household income of the state. An additional 2 percent is added to the interest rate for projects built on prime farmland when an optional site is available. No program is proposed for fiscal year 1987. Assistance to rural communities will be provided by the Department of Housing and Urban Development's Community Development Block Grant Program, state and local governments, and commercial sources.

The objective of the guaranteed industrial development loan program is to facilitate the development or improvement of business and industry in rural areas, to stimulate economic growth, to create employment opportunities, and to improve the environmental climate. No program is proposed for fiscal year 1987.

The fiscal year 1987 budget proposes to conduct a pilot program to sell the loan portfolio without recourse to institutional and individual investors. The pilot program would begin in fiscal year 1987 with a sale of \$100 million of loans each year for 5 years.

The following table shows the number of loans and the program levels for 1985 actual and estimated for 1986 and 1987. The guaranteed program levels reflect the full principal amount of the loans of which part is guaranteed by the U.S. Government.

		Donars in minic	JIISJ			
	1985 actual		1986 estimate		1987 estimate	
	No.	Amount	No.	Amount	No.	Amount
Rural development loans: Water and waste dispos-						
al systems	783	340,000	750	340,000		
Community facilities	214	115,000	178	100,000	***************************************	
Industrial development	54	61,338	84	100,000		
Total, Rural development insur- ance fund	1.051	516.338	1.012	540.000		
:		310,000				

#### Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.	
Operating income or loss (—):				
Revenue Expense	461,397 — 1,583,882	491,967 —1,680,359	515,778 1,767,637	
Net operating loss	-1,122,485	-1,188,392	-1,251,859	
Nonoperating income or loss (—): Proceeds from sale of acquired property:				
Cash	23	25	20	
Loans receivable	169	200	250	
Total proceeds from sale	192	225	270	
Net book value of assets sold	<b>—791</b>	<b>—575</b>	_720	
Net operating loss	<b>— 599</b>	<b>— 350</b>	450	
Net loss for the year	<u>-1,123,084</u>	-1,188,742	<u>-1,252,309</u>	

# Financial Condition (in thousands of dollars)

	1984 actual	1985 actual	1986 est.	1987 esi.	
Assets:					
Selected assets:					
Fund balance with					
Treasury	10,218	56,209	21,103	11,554	
Accounts receivable					
(net)	256,271	289,054	340,090	392,945	
Loans receivable (net)	104,665	64,225	60,125	201,518	
Real property	701	116	141	106	
Other assets:					
Deferred charges					
and unamortized					
discount on loans					
sold	30	22	14	6	
Guaranteed loans					
purchased from					
holders	232,097	260,957	283,907	301,807	
Total access	502.000	670.500	705 200	007.026	
Total assets	603,982	670,583	705,380	907,936	
Liabilities:					
Selected liabilities:					
Accounts payable					
and accrued li-					
abilities	441,489	448,223	514,588	510,738	
Advances received	55,948	63,093	60,543	57,913	
Advances received	33,340	03,033	00,543	31,313	

		ISURANCE FUN IOUSANDS OF DOLLARS)			14.00	the fund			5
rinanciai		1985 actual		1987 est.	14.00	Interest revenue			5
Dobt inqued under her	1984 actual	1980 actual	1986 est.	1307 621.	47.10	Authority to borrow (7		10 200	2.01
Debt issued under bor- rowing authority: Borrowings from Treasury Other liabilities: Provi-	1,516,000	1,726,000	1,896,000	2,151,000	71.00	U.S.C. 1929 a(d))  telation of obligations to outlays:  Obligations incurred, net  Obligated balance, start of year:		—18,290 —18,290	2,91
sion for potential losses on loans sold	4-4.050	100 -00	100.005	205.420	72.47 72.98	Authority to borrowFund balance			18,290 13
or guaranteed	171,053	183,736	193,825	205,426	74.47	Obligated balance, end of year: Authority to borrow		18,290	15,379
Total liabilities	2,184,490	2,421,052	2,664,956	2,925,077	74.98	Fund balance			-29
Government equity: Selected equities: Undelivered orders Unfinanced budget	1,461,594	1,348,145	1,336,045	923,245	90.00	Outlays		-18	-1
authority: Bor- rowing authority	-1,692,541		<b>—1,549,983</b>	-1,089,397		Status of Direct Loa	ns (in thousands	of dollars)	
Invested capital Total Government			_1,745,638	-1,852,989	F	Position with respect to appro- priations act limitation on			
equity	—1,580,508 ————————————————————————————————————	-1,750,469	-1,959,576	2,017,141	1111	obligations: Limitation on direct loans to the			
Analysis of changes in equity:	Government					public		<u>-18,920</u>	
Paid-in capital: Opening balance		1,133,652	1,526,770	1,949,760	1150	Total direct loan obligations		-18,920	
Transactions: Unfunded administra	itive expense	22,426	22,850	23,000	(	Cumulative balance of direct			
Unfunded accrued a Unfunded depreciati		84 66	80 60	70 55	1210	loans outstanding: Outstanding, start of year			
Imputed interest		370,542	400,000	435,000	1231	Disbursements: Direct loan dis-			•••••
Closing balance		1,526,770	1,949,760	2,407,885		bursements	••••••	<b>—679</b>	-3,05
Retained income or loss ( Opening balance		= 2,714,160	-3,277,239	-3,909,336	1251 1254	Repayments and prepayments Loan asset sales to the FFB		679	3,05
Transactions: Net operating loss			_1,188,392	-1,251,859	1290	Outstanding, end of year			
Net non-operating k Appropriation to fina		— 599 560,005	— 350 556,645	450 736,619		Chalus of Courseland I	anna (in thousa	ndo of dollars)	
Closing balance		-3,277,239	-3,909,336	-4,425,026		Status of Guaranteed L	.uans (iii inuusa	ilus vi uviiais)	
Total Government year)	equity (end of	— 1,750,469	-1,959,576	-2,017,141		Position with respect to appro- priation act limitation on commitments:			
Note.—This statement excludes \$9,971,669 thousand; 1985, \$10,289					2111	Limitation on guaranteed loans made by private lenders		43,000	
Objec	t Classification	(in thousands of	dollars)		2150	Total guaranteed loan com- mitments		-43,000	
Identification code 12-4155-0-	3-452	1985 actual	1986 est.	1987 est.		· · · · · · · · · · · · · · · · · · ·			
25.0 Other services 33.0 Investments and loa				35,910 71,373	(	Cumulative balance of guaranteed			
43.0 Interest and dividen	ds	1,100,25	1 1,182,895	1,202,795	2210	loans outstanding: Outstanding, start of year			-8,60
44.0 Refunds 92.0 Undistributed charg				12,500	2210	Disbursements:	***************************************	***************************************	-0,00
	ns			1,322,578	2231	Disbursements: Disbursements of new guaranteed loans		-8,600	-12,90
Reduct	ion Pursuan	t to Public La	w 99-177		2290	Outstanding, end of year			-21,500
Progra	m and Financir	ng (in thousands o	of dollars)			· · · · · · · · · · · · · · · · · · ·			
Identification code 12-4155-6-	3–452	1985 actual	1986 est.	1987 est.	2299	MEMORANDUM U.S. contingent liability for guar-			
Program by activitie 10.00 Total obligations			— 18,969	-193		anteed loans outstanding, end of year		-7,740	-19,35
Financing: Offsetting collection 11.00 Federal funds:	s from: Sale of certifi-					hese reductions are get and Emergency			

# Rural Development Insurance Fund, FFB Loan Asset Purchases

#### Program and Financing (in thousands of dollars)

Identifica	lion code 12-7105-0-4-452	1985 actual	1986 est.	1987 esi.
P	rogram by activities:			
10.00	Loan asset purchases (total obligations) (object class 33.0)	1,010,000	343,978	
F	inancing:			
11.00	Offsetting collections from: Federal sources	<b>— 595,000</b>	-30,000	
31.00	Redemption of debt	595,000	30,000	
67.10	Budget authority (authority to borrow) (permanent, indefinite) (12 U.S.C. 2281–96)	1,010,000	343,978	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	415,000	313,978	
90.00	Outlays	415,000	313.978	

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In Ihousands of do	ollars]		
	1985 actual	1986 est.	1987 est.
Enacted/requested:			
Budget authority	1,010,000	343,978	
Outlays	415,000	313,978	
Reduction pursuant to P.L. 99-177:			
Budget authority		-679	***************************************
Outlays		<b>—679</b>	
Total:			
Budget authority	1,010,000	343,299	
Outlays	415,000	313,299	
•			

# Status of Direct Loans (in thousands of dollars)

	( (			
Identifica	lion code 12-7105-0-4-452	1985 actual	1986 est.	1987 est.
. 0	Cumulative balance of direct loans out- standing:			
1210	Outstanding, start of year	7,228,000	7,643,000	7,956,978
1231	Disbursements: Direct loan disbursements	1,010,000	343,978	
1251	Repayments: Repayments and prepayments	-595,000	-30,000	
1290	Outstanding, end of year	7,643,000	7,956,978	7,956,978

The activity in this account reflects the certificates of beneficial ownership (CBOs) that are purchased and sold by the Federal Financing Bank in order to finance RDIF's direct lending program. These loan asset financing transactions are attributed to the originating agency consistent with the Balanced Budget and Emergency Deficit Control Act of 1985.

# Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identification code 12-7105-6-4-452	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Loan asset purchases (total obligations)		<b>-679</b>	
Financing: 47.10 Budget authority (authority to borrow) (12 U.S.C. 2281–96)		<b>— 679</b>	
Relation of obligations to outlays: 71.00 Obligations incurred, net		<b>— 679</b>	
90.00 Outlays		679	

# Status of Direct Loans (in thousands of dollars)

C	Cumulative balance of direct loans out- standing:		
1210	Outstanding, start of year	 	<b>—679</b>
1231	Disbursements: Direct loan disbursements	 <u> </u>	
1290	Outstanding, end of year	 <b>— 679</b>	<b>—679</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### RURAL DEVELOPMENT LOAN FUND\*

\*See Part II for additional information.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-4233-0-3-452	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations (object class 33.0)			***************************************
F	inancing:			
14.01	Offsetting collections from: Non-federal			
	sources	-1,706	<b>— 400</b>	<b>—424</b>
21.98	Unobligated balance available, start of year: Fund balance	12.065	<b>— 13,674</b>	14 164
24.98	Unobligated balance available, end-of-year:	- 12,003	-13,074	—14,164
24.50	Fund balance	13,764	14,164	14.588
20.00			<del></del>	
39.00	Budget authority		***************************************	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	-1,698	<b>—400</b>	-424
72.98	Obligated balance, start of year: Fund bal-			
74.00	ance	803	424	<b>— 424</b>
74.98	Obligated balance, end of year: Fund balance	424	424	424
	alice			
90.00	Outlays	<b>—471</b>	<b>— 400</b>	<b>— 424</b>
	Status of Direct Loans (in th	nousands of do	ollars)	
С	umulative balance of direct loans out-			
	standing:			
1210	Outstanding, start of year	38,127	,	37,256
1251	Repayments: Repayments and prepayments	471		424

This fund was transferred to FmHA from the Department of Health and Human Services pursuant to Public Law 99-198.

# ALLOTMENT AND ALLOCATIONS RECEIVED FROM OTHER AGENCIES

Note.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:

Agriculture: Soil Conservation Service:

"Watershed and Flood Prevention Operations."
"Resource Conservation and Development."

Funds Appropriated to the President: "Appalachian Regional Development Programs." Commerce:

 $\begin{array}{ll} \textbf{Economic Development Administration: "Economic Development Assistance Program."} \end{array} \\$ 

Regional Development Program: "Regional Development Programs."

Energy: "Building and Community Systems."

Interior: Office of Surface Mining Reclamation and Enforcement: "Abandoned Mine Reclamation Fund."

# SOIL CONSERVATION SERVICE

#### Federal Funds

#### General and special funds:

I-E78

#### CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, \$361,996,000; of which not less than \$5,039,000 is for snow survey and water forecasting and not less than \$4,147,000 is for operation of the plant materials centers: Provided, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$10,000, except for one building to be constructed at a cost not to exceed \$100,000 and eight buildings to be constructed or improved at a cost not to exceed \$50,000 per building and except that alterations or improvements to other existing permanent buildings costing \$5,000 or more may be made in any fiscal year in an amount not to exceed \$2,000 per building: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service. (7 U.S.C. 1010a, 1387, 1807, 2201-02, 2256; 16 U.S.C. 590q, 590q-1, 2001-09; 42 U.S.C. 3271-74; 26 Stat. 653; Reorg. Plan No. IV of 1940.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identificati	ion code 12-1000-0-1-302	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Technical assistance	282,959	283,097	286,036
00.02	Inventorying and monitoring	14,543	12,320	9,689
00.03	Soil surveys	54,781	57,981	55,360
00.04	Snow survey water forecasting	3,966	3,949	5,039
00.05	Operation of plant materials centers	4,087	4,065	4,147
00.06	Resource appraisal and program devel-			
	opment	4,305	2,990	1,725
00.07	Rural clean water	192	221	
00.91	Total direct program	364,833	364,623	361,996
01.01	Reimbursable program	34,958	39,000	28,519
10.00	Total obligations	399,791	403,623	390,515
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	24,461	<b>— 25,073</b>	<b>— 14,592</b>
14.00	Non-Federal sources	10,497	-13,927	13,927
21.40	Unobligated balance available, start of year	-510	334	
24.40	Unobligated balance available, end of year	334		
25.00	Unobligated balance lapsing	263		
39.00	Budget authority	364,920	364,289	361,996

В	udget authority:			
40.00	Appropriation	364,560	373,460	361,996
40.00	Reduction pursuant to P.L. 99-190		<b> 2,241</b>	
41.00	Transferred to other accounts		<b>—7,952</b>	•••••
42.00	Transferred from other accounts	360	1,022	
43.00	Appropriation (adjusted)	364,920	364,289	361,996
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	364,833	364,623	361,996
72.40	Obligated balance, start of year	35,393	32,784	35,726
74.40	Obligated balance, end of year	<b>— 32,784</b>	-35,726	-36,253
77.00	Adjustments in expired accounts	442		
90.00	Outlays	367,884	361,681	361,469

APPENDIX TO THE BUDGET FOR FISCAL YEAR 1987

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#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dol	Hars)		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	364,920	364,289	361,996
Outlays	367,884	361,681	361,469
Reduction pursuant to P.L. 99–177:			
Budget authority		-15,620	
Outlays		-14,970	-1,249
Total:			
Budget authority	364,920	348,669	361,996
Outlays	367,884	346,711	360,220

Technical assistance.—Technical assistance is provided through 2,934 conservation districts to land users and decisionmakers, including individual landowners and operators, community groups, units of government, Indian tribes, and others for the planning of conservation programs and installation of needed conservation systems on the land, including design, layout, installation, and consultation services.

Combinations of needed soil and water conservation systems are planned in relation to each other to achieve well-balanced conservation programs. Technicians of the Soil Conservation Service explain the various soil conditions, develop alternative uses and treatments, help to evaluate the costs and returns of conservation work, and furnish onsite assistance to farmers, ranchers, and others in applying the needed treatments. About 70 percent of the total annual investment in conservation practices applied through the conservation technical assistance program is made by private landusers. Since 1981, accelerated technical assistance has been provided to targeted geographic areas with severe erosion, water conservation and water quality problems. During fiscal year 1987, SCS will continue to emphasize work on critical resource problems caused by excessive soil erosion and inefficient use of limited water supplies. Personnel funded within this account will be providing technical assistance to implement the Conservation Reserve Program.

#### MAIN WORKLOAD FACTORS

Deddieseles worth a tribal	1985 actual	1986 estimate	1987 estimate
Decisionmakers receiving technical services	942,681	940,000	940,000
tion technical assistance Tons of soil erosion reduced	64,440,771 230,532,400	64,500,000 232,332,400	64,500,000 232,332,400

Inventorying and monitoring.—Inventorying and monitoring provides soil, water, and related resource data. All activities under this program will be terminated by the end of fiscal year 1987.

Soil surveys.—Soil surveys and investigations are made of the Nation's soil resources, with interpretations and publications that provide physical land facts needed for program development, resource conservation planning, installation of planned practices, and for use by other Federal, State, and local agencies in making land-use decisions. This program is being continued in the fiscal year 1987 budget.

#### MAIN WORKLOAD FACTORS

	1985 actual	1986 estimate	1987 estimate
Acres mapped annually	40,184,658	43,694,000	43,038,000
Soil surveys ready for publication (number)	73	77	80

Snow survey water forecasting.—Water supply forecasts prepared from snow surveys in western states are used in making efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, and water quality management. This program is being continued in the fiscal year 1987 budget.

Operation of plant materials centers.—The selection and evaluation of plant materials are made at 20 plant materials centers through field trials to determine their suitability for erosion control, conservation, and other environmental improvements. This program is being continued in the fiscal year 1987 budget.

Resource appraisal and program development.—The Soil and Water Resources Conservation Act of 1977 provides for a report to the public and Congress at 5-year intervals beginning January 1980. A report was developed and submitted in December 1982. All activities under this program will be terminated by the end of fiscal year 1987.

Object Classification (in thousands of dollars)

dentifical	ion code 12-1000-0-1-302	1985 actual	1986 est.	1987 esl.
	Direct obligations:			
	Personnel compensation:			
1.1	Full-time permanent	242,001	244,693	238,308
1.3	Other than full-time permanent	6,927	7,000	6,81
1.5	Other personnel compensation	1,505	1,521	1,47
1.9	Total personnel compensation	250,433	253,214	246,590
2.1	Personnel benefits: Civilian	37,222	37,637	36,57
13.0	Benefits for former personnel	376	377	4,85
21.0	Travel and transportation of persons	8,002	8,037	8,13
22.0	Transportation of things	2,856	2,867	2,96
23.2	Rental payments to others	9,186	10,636	10,91
23.3	Communications, utilities, and miscella-			
	neous charges	13,099	13,709	14,10
24.0	Printing and reproduction	2,886	2,897	2,96
25.0	Other services	15,838	15,836	14,83
26.0	Supplies and materials	9,035	9,083	9,34
31.0	Equipment	15,797	10,223	10,58
32.0	Lands and structures	30	31	3
42.0	Insurance claims and indemnities	73	76	7
99.0	Subtotal, direct obligations	364,833	364,623	361,99
99.0	Reimbursable obligations	34,958	39,000	28,51
99.9	Total obligations	399,791	403,623	390,51
	Personnel Sum	mary		
Direct	program:			
Tota	Il number of full-time permanent positions	8,868	9,177	8,83
1010	n compensable workycals.			9.35

Full-time equivalent of overtime and holiday hours	11	11	11
Reimbursable program: Total number of full-time permanent positions Total compensable workyears: Full-time equiva-	735	778	428
lent employment	753	797	437

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identifical	ion code 12-1000-6-1-302	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>—16,219</b>	
F 25.00	inancing: Reduction in new spending authority (off-setting collections)	***************************************	599	
40.00	Budget authority (appropriation)		- 15,620	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-16,219	
72.40 74.40	Obligated balance, start of year		1 240	-1,249
74.40	Obligated balance, end of year		1,249	***************************************
90.00	Outlays		-14.970	-1.249

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### RIVER BASIN SURVEYS AND INVESTIGATIONS

For necessary expenses to closeout activities previously funded under this account, \$9,472,000. (7 U.S.C. 2201-02; 16 U.S.C. 1101-05; 1007-09; 33 U.S.C. 701b-11.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identifical	ion code 12-1069-0-1-301	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	River basin surveys	9,954	10.276	7,123
00.02	Flood plain management assistance	3,019	2,439	1,424
00.03	Interagency coordination and program			
	formulation	1,847	2,123	925
00.01	Total diseat assessment	14 000	14 020	0.470
00.91	Total direct program	14,820	14,838	9,472
01.01	Reimbursable program	1,025	1,000	
10.00	Total obligations	15,845	15,838	9,472
	inensing		·	
r	inancing: Offsetting collections from:			
11.00	Federal funds	-689	<b>-672</b>	
14.00	Non-Federal sources	- 336	-328	***************************************
21.40	Unobligated balance available, start of year	-330 $-21$	-328 -21	
24.40	Unobligated balance available, end of year	21	21	
25.00	Unobligated balance lapsing	86	***************************************	***************************************
23.00	Oliobilgated balance lapsing			
39.00	Budget authority	14,906	14,817	9,472
В	udget authority:			
40.00	Appropriation	14,906	14.906	9,472
40.00	Reduction pursuant to P.L. 99-190		89	***************************************
40.00				
43.00	Appropriation (adjusted)	14,906	14,817	9,472
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	14,820	14,838	9,472
72.40	Obligated balance, start of year	1,832	1,278	896
74.40	Obligated balance, end of year			

# General and special funds-Continued

RIVER BASIN SURVEYS AND INVESTIGATIONS-Continued

Program	and	Financing	(in	thousands	of	dollars	)—Continued
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Identificat	tion code 12-1069-0-1-301	1985 actual	1986 esi.	1987 est.
77.00	Adjustments in expired accounts	-13		
90.00	Outlays	15,361	15,220	9,794

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

fin	thousands	Ωŧ	dollars

[III (III) CONTROL OF GO	na. oj		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	14.906	14,817	9,472
	15.361	15.220	9,794
Outlays	13,301	13,220	3,734
Reduction pursuant to P.L. 99–177:			
Budget authority		<b>— 637</b>	
,			
Outlays		<b>— 612</b>	-39
Total:			
Budget authority	14.906	14.180	9.472
			-,
Outlays	15,361	14,608	9,755

The Department cooperates with other Federal, State, and local agencies in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated water and related land resources programs. The fiscal year 1987 budget proposes to terminate all activities under this program by the end of fiscal year 1987.

# MAIN WORKLOAD FACTORS

Status of river basin surveys	1985 actual	1986 estimate	1987 estimate
USDA cooperative studies:	1000 0000	2000 0000000	2007 004/1/1010
Surveys in progress, start of year	52	59	57
Surveys initiated during year	19	11	
Surveys worked during year	71	70	57
Surveys completed during year	12	13	
Surveys in progress, end of year	69	57	
Cumulative total surveys initiated	189	200	200
Cumulative total surveys completed	134	147	147
Flood plain management assistance program:			
States involved	38	38	38
Completed studies	34	44	
Ongoing studies, end of year	86	74	
Cumulative total completed	345	389	389

# Object Classification (in thousands of dollars)

Identifica	tion code 12-1069-0-1-301	1985 actual	1986 est.	1987 est.
	SOIL CONSERVATION SERVICE			
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	8,570	8,643	3,274
11.3	Other than full-time permanent	269	271	72
11.5	Other personnel compensation	64	65	17
11.9	Total personnel compensation	8,903	8,979	3,363
12.1	Personnel benefits: Civilian	1,220	1.230	326
13.0	Benefits for former personnel	41	41	3,788
21.0	Travel and transportation of persons	400	413	205
22.0	Transportation of things	99	102	51
23.2	Rental payments to others	128	132	65
23.3	Communications, utilities, and miscella-			
	neous charges	330	341	169
24.0	Printing and reproduction	132	136	68
25.0	Other services	831	831	758
26.0	Supplies and materials	177	183	90
31.0	Equipment	1,151	1,188	589
99.0	Subtotal, direct obligations	13,412	13,576	9,472
99.0	Reimbursable obligations	1,025	1,000	

# ALLOCATION ACCOUNTS

	Personnel compensation:			
11.1	Full-time permanent	869	805	
11.3	Other than full-time permanent	11	11	
11.5	Other personnel compensation	1	1	
11.9	Total personnel compensation	881	817	
12.1	Personnel benefits: Civilian	149	134	
13.0	Benefits for former personnel	2	2	
21.0	Travel and transportation of persons	115	102	
22.0	Transportation of things	19	12	
23.1	Standard level user charges	41	41	
23.2	Rental payments to others	3	1	
23.3	Communications, utilities, and miscellane-			
	ous charges	27	22	
24.0	Printing and reproduction	5	6	
25.0	Other services	144	107	
26.0	Supplies and materials	12	10	
31.0	Equipment	10	8	
99.0	Subtotal, allocation accounts	1,408	1,262	
99.9	Total obligations	15,845	15,838	9,472
	Total obligations	10,040	10,000	J,412
Obligat	ions are distributed as follows:			
Soil	Conservation Service	14,437	14,576	9,472
Fore	st Service	1,084	1,087	***************************************
	nomic Research Service	324	176	

#### Personnel Summary

15.00 F 11.00

SOIL CONSERVATION SERVICE			
Direct program:			
Total number of full-time permanent positions Total compensable workyears:	276	276	••••••
Full-time equivalent employmentFull-time equivalent of overtime and holiday	292	292	30
hours			1
Reimbursable program:			
Total number of full-time permanent positions  Total compensable workyears: Full-time equiva-	16	16	••••••
lent employment	20	20	
ALLOCATION ACCOUNTS			
Total number of full-time permanent positions	25	23	
employment	25	23	

# Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

IdenIificat	ion code 12-1069-6-1-301	1985 actual	1986 est.	1987 esi.
P 10.00	rogram by activities: Total obligations		<b>– 651</b>	
	inancing:	•••••	001	***************************************
25.00	Reduction in new spending authority (off- setting collections)		14	•••••
40.00	Budget authority (appropriation)		- 637	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		651	
72.40	Obligated balance, start of year	***************************************		$-3^{\circ}$
74.40	Obligated balance, end of year		39	
90.00	Outlays		-612	_3

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### WATERSHED PLANNING

For necessary expenses to closeout activities previously funded under this account, \$6,480,000. (7 U.S.C. 2201-02; 33 U.S.C. 701b-11.)

Note.-A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identifica	tion code 12-1066-0-1-301	1985 actual	1986 est.	1987 est.
F	Program by activities:			
00.01	Direct program: Small watershed planning			
	authorized by Public Law 566	8,857	8,868	6,480
01.01	Reimbursable program: Small watershed			
	planning authorized by Public Law 566	442	750	
10.00	Total obligations	9,299	9,618	6,480
F	inancing:			
14.00				
	sources		<b>—750</b>	
25.00	Unobligated balance lapsing	65		
39.00	Budget authority	8,922	8,868	6,480
В	Budget authority:			
40.00		8,922	8,922	6,480
40.00	Reduction pursuant to P.L. 99-190		- 54	
43.00	Appropriation (adjusted)	8,922	8,868	6,480
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	8,857	8,868	6,480
72.40	Obligated balance, start of year		1,491	582
74.40	Obligated balance, end of year	<u> — 1,491                                   </u>		<b>-439</b>
77.00	Adjustments in expired accounts			
90.00	Outlays	8,515	9,777	6,623

SUMMARY OF BUDGET AUTH	ORITY AND	OUTLAYS	
[In thousands of do	lars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	8,922	8,868	6,480
Outlays	8,515	9,777	6,623
Reduction pursuant to P.L. 99-177:	·		
Budget authority		-381	
Outlays		<b>—377</b>	<b>—36</b>
,			
Total:			
Budget authority	8,922	8,487	6,480
Outlays	8,515	9,400	6,587

The Department cooperates with other agencies and the States in planning works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water.

# MAIN WORKLOAD FACTORS

MIAIN WORKLOAD	INDIDIO		
Activity Applications for planning assistance:	1985 actual	1986 estimate	1987 estimate
On hand, cumulative, start of year  Net change during year	2,290 41	2,331 25	2,356
On hand, cumulative, end of year	2,331	2,356	2,356
Consisting of: Authorized for planning Available for planning	1,970 361	2,010 346	2,010 346
Status of planning: Authorized, cumulative, start of year Suspended or terminated, cumulative, start of	1,927	1,970	2,010
year	473	447	479 1,395
Completed, cumulative, start of year	1,316	1,350	
Planning in process, start of year	138	143	136

New authorizations during year  Terminated during year  Completions during year	43 4 34	40 2 45	
lanning in process, end of year	143	136	136

The Department makes surveys of proposed small watershed projects, and work plans are prepared in cooperation with local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, cost sharing, and operation and maintenance arrangements, and other facts necessary to justify Federal participation in project development. All activities of this program will be terminated by the end of fiscal year 1987.

#### Object Classification (in thousands of dollars)

ion code 12-1066-0-1-301	1985 actual	1986 est.	1987 est.
SOIL CONSERVATION SERVICE			
Direct obligations:			
9			
Full-time permanent	5.731	5.881	1,899
Other than full-time permanent	105	108	21
Other personnel compensation	31	32	6
Total personnel compensation	5.867	6.021	1,920
Personnel benefits: Civilian	799	820	159
Benefits for former employees	7	7	1,400
Travel and transportation of persons	332	347	13
Transportation of things	34	35	1:
Rental payments to others	73	76	30
Communications, utilities, and miscella-			
neous charges	260	271	109
Printing and reproduction	84	88	30
Other services	498	275	2,38
Supplies and materials	112	117	4
Equipment	558	583	23
Subtotal direct obligations	8.624	8.640	6,48
TOTAL STREET			
ALLOCATION TO FOREST SERVICE			
Personnel compensation:			
Full-time permanent	132	135	
Other than full-time permanent	2	2	
Total personnel compensation	134	137	
Personnel benefits: Civilian	23	24	***************************************
Travel and transportation of persons	19	19	
Standard level user charges	9	9	
Communications, utilities, and miscellane-			
ous charges	4	4	
Other services	40	30	
Supplies and materials	3	3	
Equipment	2	2	
Subtotal, allocation to Forest Service	233	228	
	Direct obligations: Personnel compensation: Full-time permanent Other than full-time permanent Other personnel compensation.  Total personnel compensation.  Personnel benefits: Civilian Benefits for former employees Travel and transportation of persons Transportation of things. Rental payments to others. Communications, utilities, and miscellaneous charges Printing and reproduction Other services. Supplies and materials. Equipment.  Subtotal, direct obligations. Reimbursable obligations. Reimbursable obligations ALLOCATION TO FOREST SERVICE Personnel compensation: Full-time permanent. Other than full-time permanent Total personnel compensation. Personnel benefits: Civilian. Travel and transportation of persons. Standard level user charges Communications, utilities, and miscellaneous charges Other services. Supplies and materials.	Direct obligations: Personnel compensation: Full-time permanent	Direct obligations:         Personnel compensation:           Full-time permanent         5,731         5,881           Other than full-time permanent         105         108           Other personnel compensation         31         32           Total personnel compensation         5,867         6,021           Personnel benefits: Civilian         799         820           Benefits for former employees         7         7           Travel and transportation of persons         332         347           Transportation of things         34         35           Rental payments to others         73         76           Communications, utilities, and miscellaneous charges         260         271           Printing and reproduction         84         88           Other services         498         275           Supplies and materials         112         117           Equipment         558         583           Subtotal, direct obligations         8,624         8,640           Reimbursable obligations         8,624         8,640           Reimbursable obligations         442         750           ALLOCATION TO FOREST SERVICE           Personnel compensation:         134         137

lent employment .....

# General and special funds-Continued WATERSHED PLANNING-Continued

Personnel	Summary—Continued
i craomici	Jummary Communa

Personnel Summary—Continued				
Reimbursable:				
Total number of full-time permanent positions  Total compensable workyears:	13	13		
Full-time equivalent employment Full-time equivalent of overtime and holiday	13	13		
hours		1		
ALLOCATION TO FOREST SERVICE				
Total number of full-time permanent positions  Total compensable workyears: Full-time equivalent	4	4		
employment	4	4		

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-1066-6-1-301	1985 actual	1986 est.	1987 est.
10.00	Program by activities: Total obligations		-413	
	inancing:			
25.00	Reduction in new spending authority (off- setting collections)		32	
40.00	Budget authority (appropriation)		<b>—381</b>	
R	relation of obligations to outlays:			
71.00	Obligations incurred, net		<b>—413</b>	
72.40	Obligated balance, start of year			-36
74.40	Obligated balance, end of year		36	
90.00	Outlays		<b>— 377</b>	<b>— 36</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### WATERSHED AND FLOOD PREVENTION OPERATIONS\*

For necessary expenses to closeout activities previously funded under this account, \$67,778,000. (7 U.S.C. 2201-02; 33 U.S.C. 701b-1, 701b-

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

### Program and Financing (in thousands of dollars)

Identificati	on code 12-1072-0-1-301	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Watershed operations authorized by			
	Public Law 534	29,907	41,030	12,400
00.02	Loan services (Public Law 534)	193	174	***************************************
00.03	Emergency watershed protection oper-			
	ations	16,116	49,792	1,106
00.04	Small watershed operations authorized			
	by Public Law 566	161,886	155,639	54,272
00.05	Loan services (Public Law 566)	397	348	
00.91	Total direct program	208.499	246,983	67,778
01.01	Reimbursable program	4,716	8,600	
10.00				
10.00	Total obligations	213,215	255,583	67,778
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	320	-580	
14.00	Non-Federal sources	-4,396	8.020	

21.40 24.40	Unobligated balance available, start of year	- 40,947 16,291	<u>-16,291</u>	
39.00	Budget authority	183,843	230,692	67,778
В	udget authority:			
40.00	Appropriation	183,843	223,843	67,778
40.00	Reduction pursuant to P.L. 99-190		-1.103	, , , , , , , , , , , , , , , , , , , ,
42.00	Transferred from other accounts		7,952	
43.00	Appropriation (adjusted)	183,843	230,692	67,778
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	208,499	246,983	67,778
72.40	Obligated balance, start of year	215,401	174,996	178,492
74.40	Obligated balance, end of year	<b>— 174,996</b>	<b>— 178,492</b>	29,678
90.00	Outlays	248,904	243,487	216,592

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousand of dol	lars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	183,843	230,692	67,778
Outlays	248,904	243,487	216,592
Reduction pursuant to P.L. 99–177:	•	,	· ·
Budget authority		-9.920	
Outlays		-7.031	-3.234
Rescission proposal:		•	-,
Budget authority		-60.401	
Outlays		-18.120	-27.180
Total:			
Budget authority	183,843	160,371	67,778
Outlays	248,904	218,336	186,178

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This program provides for cooperation between the Federal Government and States and their political subdivisions in installing works of improvement: to reduce damage from floodwater, sediment, and erosion; for the conservation, development, utilization, and disposal of water; and for the conservation and proper utilization of land. The fiscal year 1987 budget proposes to terminate all activities under these programs by the end of fiscal year 1987.

Watershed operations authorized by Public Law 534.— The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement for flood prevention in 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares the cost of works of improvement for flood prevention, agricultural water management, recreation, and fish and wildlife development.

Within the 11 authorized projects, 406 subwatershed areas have been identified for planning purposes. Installation progress in these subwatersheds is as follows:

# MAIN WORKLOAD FACTORS

Subwatershed status	1985 actual	1986 estimate	1987 estimate
Projects in preconstruction, end of year	20	16	***************************************
Projects in construction, start of year	84	89	
Projects completed construction during year		6	
Projects in preconstruction and construction, end of			
year	104	101	***************************************
Projects continuing land treatment, end of year	65	68	***************************************
Projects completed, end of year	160	160	
Projects not started, end of year	77	76	
Total subwatershed projects	406	406	

<sup>\*</sup> See Part II for additional information.

Emergency watershed protection operations.—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or force causes a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, or other natural cause and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work.

Small watershed operations authorized by Public Law 566.—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. After work plans are approved by the Department or Congress (projects where the estimated Federal contribution will exceed \$5 million require congressional approval), technical services and financial assistance are provided for specific works of improvements.

The following tabulation shows the status of Public Law 566 projects:

#### MAIN WORKLOAD FACTORS

Status of projects approved for operations	1985 actual	1986 estimate	1987 estimate
Projects in preconstruction	121	116	
Projects under construction, start of year	401	414	
New construction starts	13	10	
Projects completed during year	18	10	
Projects Land Treatment continuing	37	17	
Subtotal projects requiring funds	590	567	
Projects not requiring funds	149	177	
Projects completed in prior years	611	629	
Total approved projects	1,350	1,373	

Loan services.—Loans are made to local sponsoring organizations to finance the local cost of installing works of improvement in Public Law 534 and approved Public Law 566 watershed projects. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. Loans are made from funds available for this purpose from the Agricultural credit insurance fund of the Farmers Home Administration. Loan services related to processing and making loans are financed from this appropriation.

The 1987 Budget proposes to terminate funding for construction starts and does not provide for new obligations for on-going projects after February 1, 1986.

Object Classification (in thousands of do	ollars)
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	Object Classification (in the	usands of do	llars)	
Identifica	ntion code 12-1072-0-1-301	1985 actual	1986 est.	1987 est.
	SOIL CONSERVATION SERVICE			
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	51,523	52,875	13,339
11.3	Other than full-time permanent	2,109	2,164	205
11.5	Other personnel compensation	1,882	1,931	169
11.9	Total personnel compensation	55,514	56,970	13,713
12.1	Personnel benefits: Civilian	7,990	8,199	783
13.0 21.0	Benefits for former personnel	93 2,055	95 2,108	15,182 435
22.0	Travel and transportation of persons  Transportation of things	2,033 505	518	115
23.2	Rental payments to others	1,197	1,228	529
23.3	Communications, utilities, and miscella-	·	,	
	neous charges	2,294	2,354	275
24.0	Printing and reproduction	363	372	83
25.0 25.0	Other services	10,957 55,796	18,087 73,624	35,041
26.0	Supplies and materials	1,845	1,894	393
31.0	Equipment	5,304	5,443	1,226
32.0	Lands and structures	2	2	
41.0	Grants, subsidies, and contributions	59,101	71,427	
42.0	Insurance claims and indemnities	15	15	3
99.0	Subtotal, direct obligations	203,031	242,336	67,778
99.0	Reimbursable obligations	4,714	8,600	
33.0	Reinibursable obligations	====	====	
	ALLOCATION ACCOUNTS			
ı	Direct obligations:			
,	Personnel compensation:			
11.1	Full-time permanent	1,972	1,962	
11.3	Other than full-time permanent	508	520	
11.5	Other personnel compensation	96	99	
11.8	Special personal services payments	5	5	***************************************
11.9	Total personnel compensation	2,581	2,586	
12.1	Personnel benefits: Civilian	355	364	
13.0	Benefits for former personnel	72	73	***************************************
21.0 22.0	Travel and transportation of persons  Transportation of things	122 40	122 42	
23.1	Standard level user charges	69	72	
23.3	Communications, utilities, and miscellane-	00	, _	••••••
	ous charges	327	279	
24.0	Printing and reproduction	8	8	***************************************
25.0	Other services	986	757	***************************************
26.0 31.0	Supplies and materials Equipment	233 33	240 34	***************************************
32.0	Lands and structures	65	68	
41.0	Grants, subsidies, and contributions	575		
43.0	Interest and dividends	2	2	
99.0	Subtotal, direct obligations allocation			
55.0	accounts	5,468	4,647	*****
00.0				
99.0	Reimbursable obligations	2		***************************************
99.9	Total obligations	213,215	255,583	67,778
Obliga	tions are distributed as follows.			
	tions are distributed as follows:  I Conservation Service	207,745	250,936	67,778
	mers Home Administration	590	522	07,770
	est Service	4,880	4,125	
	Personnel Sum	imary		
	SOIL CONSERVATION SERVICE			
Direct				
	al number of full-time permanent positions	1,858	1,980	***************************************
	al compensable workyears: Full-time equivalent employment	1 000	2 116	202
	Full-time equivalent of overtime and holiday	1,986	2,116	203
	hours	59	83	

# General and special funds-Continued

### WATERSHED AND FLOOD PREVENTION OPERATIONS-Continued

# Personnel Summary—Continued

Reimbursable: Total number of full-time permanent positions	10	27	
Total compensable workyears: Full-time equiva- lent employment	10	20	
ALLOCATION ACCOUNTS			
Total number of full-time permanent positions Total compensable workyears: Full-time equivalent	75	71	
employment	124	117	

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

			,	
Identificat	tion code 12-1072-6-1-301	1985 actual	1986 est.	1987 est.
10.00	Program by activities: Total obligations		<b>—10,265</b>	
25.00	inancing: Reduction in new spending authority (off-			
	setting collections)		345	
40.00	Budget authority (appropriation)		9,920	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-10,265	
72.40	Obligated balance, start of year			<b>—</b> 3,234
74.40	Obligated balance, end of year		3,234	
90.00	Outlays		<b>—7,031</b>	-3,234

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# [GREAT PLAINS CONSERVATION PROGRAM]\*

\*See Part II for additional information.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-2268-0-1-302	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Cost-sharing assistance	12,476	12,190	
00.02	Cost-sharing programing and contract			
	administration	2,895	2,960	
00.03	Technical assistance	6,152	6,291	
00.91	Total direct program	21,522	21,441	
01.01	Reimbursable program	47	60	***************************************
01.01	Kembursable program			
10.00	Total obligations	21,569	21,501	
F	inancing:			
	Offsetting collections from:			
11.00	Federal sources	-20	<b>— 26</b>	
14.00	Non-Federal sources	27	<b>— 34</b>	
21.40	Unobligated balance available, start of year	<b>—30</b>	<b>— 39</b>	
24.40	Unobligated balance available, end of year	39		
39.00	Budget authority	21,531	21,402	
В	Budget authority:			
40.00	Appropriation	21,531	21,531	
40.00	Reduction pursuant to P.L. 99–190		-129	
43.00	Appropriation (adjusted)	21,531	21,402	

R	elation of obligations to outlays:			
71.00	Obligations incurred, net	21,522	21,441	
72.40	Obligated balance, start of year	32,944	33,511	33,434
74.40	Obligated balance, end of year	-33,511	-33,434	-21,580
90.00	Outlavs	20.954	21.518	11.854

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)			
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	21,531	21,402	
Outlays	20,954	21,518	11.854
Reduction pursuant to P.L. 99–177:	ľ	,	,
Budget authority		- 920	
Outlays		-417	230
Rescission proposal:			200
Budget authority		-6.606	
		0,000	-1,580
Outuju			1,000
Total:			
Budget authority	21,531	13,876	
Outlays	20,954	21,101	10,044
·			

This program provides cost-share and technical services to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land under contracts entered into in prior years. It is a voluntary program in 518 designated counties of 10 Great Plains States. Contracts with individual landowners range in time from 3 to 10 years.

#### MAIN WORKLOAD FACTORS

Bu

Program participants:	1985 actual	1986 estimate	1987 estimate
Number of new contracts during year	943	725	
during year	6,930	6,476	
Number of acres under contracts	14,734,137	13,309,000	

As of September 30, 1985, there were 5,751 active contracts on hand. Co-landowners or operators finance the entire cost of installing recurring management-type practices and pay a specified part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract shall not exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35 thousand for any contract. The fiscal year 1987 budget does not include funding for this program. The Administration proposed the termination of the Great Plains Program by the end of fiscal year 1986.

# Object Classification (in thousands of dollars)

Identificati	on code 12-2268-0-1-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	6,230	6,283	
11.3	Other than full-time permanent	112	113	***************************************
11.5	Other personnel compensation	25	25	***************************************
11.9	Total personnel compensation	6,367	6,421	
12.1	Personnel benefits: Civilian	935	943	
13.0	Benefits for former personnel	11	11	***************************************
21.0	Travel and transportation of persons	201	210	
22.0	Transportation of things	73	76	
23.2	Rental payments to others	217	227	
23.3	Communications, utilities, and miscella-			
	neous charges	284	296	

24.0	Printing and reproduction	28	29	
25.0	Other services	337	420	
26.0	Supplies and materials	227	236	
31.0	Equipment	366	382	
41.0	Grants, subsidies, and contributions	12,476	12,190	
99.0	Subtotal, direct obligations	21.522	21.441	
99.0	Reimbursable obligations	47	60	
99.9	Total obligations	21,569	21,501	
	Personnel Sumr	nary		
	umber of full-time permanent positions compensable workyears: Full-time equivalent	235	242	
	loyment	249	249	

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-2268-6-1-302	1985 actual	1986 esi.	1987 est.
	rogram by activities: Total obligations		<b>— 920</b>	
40.00	inancing: Budget authority (appropriation)		<b>-920</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>— 920</b>	
72.40	Obligated balance, start of year			<b>— 503</b>
74.40	Obligated balance, end of year		503	273
90.00	Outlays		<b>— 417</b>	<b>— 230</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses to closeout activities previously funded under this account, \$11,400,000. (7 U.S.C. 2201-02; 16 U.S.C. 3453-3461; 33 U.S.C. 701b-11.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identifical	ion code 12-1010-0-1-302	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01	Direct program:	17 20 4	10.000	11 400
00.01	Technical assistance	17,384 8,740	18,606 9,053	11,400
00.02	Loan services	141	119	
00.03	LOGIT SCIVICES			
00.91	Total direct program	26,265	27,778	11,400
01.01	Reimbursable program	1,736	2,000	
10.00	Total obligations	28,001	29,778	11,400
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	<b>—</b> 15	-17	
14.00	Non-Federal sources	-1,721	-1,983	
21.40	Unobligated balance available, start of			
	year		-1,616	
24.40	Unobligated balance available, end of year	1,616		
39.00	Budget authority	26,320	26,162	11,400
В	Budget authority:			
40.00	Appropriation	26,320	26,320	11,400
40.00	Reduction pursuant to P.L. 99-190,		<u>-158</u>	
43.00	Appropriation (adjusted)	26,320	26,162	11,400

R	elation of obligations to outlays:			
71.00	Obligations incurred, net	26,265	27,778	11,400
72.40	Obligated balance, start of year	12,936	12,151	12,133
74.40	Obligated balance, end of year	- 12,151	-12,133	-684
90.00	Outlays	27,050	27,796	22,849

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

g			
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	26,320	26,162	11,400
Outlays	27,050	27,796	22,849
Reduction pursuant to P.L. 99-177:			
Budget authority		-1,125	
Outlays		<b>—758</b>	<b>— 452</b>
Total:			
Budget authority	26,320	25,037	11,400
Outlays	27,050	27,038	22,397

This program provides for the Department to assist States, local units of government, groups and individuals in developing area plans for resource conservation and development (RC&D).

RC&D areas are provided technical and financial assistance to help States and local units of government prepare plans for resource development and economic improvement and to plan and install community-type conservation projects or measures. Financial contributions, loans, and other Federal assistance are used to help carry out measures specified in RC&D area plans. Loans were made through the Farmers Home Administration to qualified local organizations to help finance their share of the costs of installing the measures.

The RC&D program would be terminated by the end of 1987.

The following tabulation shows the status of RC&D areas authorized to receive technical and financial assistance.

#### MAIN WORKLOAD FACTORS

1985 actual 1986 estimate

1987 estimate

Areas a	authorized at beginning of year	194	194	
Areas a	authorized at end of year	194	194	
RC&D 1	financial assisted measures completed	187	150	
RC&D 1	financial assisted measures planned	118	150	
RC&D	measures completed with other than finan-			
cial	assistance	916	1,000	
	Object Classification (in the	ousands of dol	lars)	
Identilica	tion code 12-1010-0-1-302	1985 actual	1986 est.	1987 est.
	SOIL CONSERVATION SERVICE			
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	10,497	10,586	3.687
11.3	Other than full-time permanent	691	697	172
11.5	Other personnel compensation	117	118	29
11.0	7.1	11.005	11.401	
11.9	Total personnel compensation	11,305	11,401	3,888
12.1	Personnel benefits: Civilian	1,684	1,698	419
13.0	Benefits for former personnel	20	20	4,112
21.0	Travel and transportation of persons	412	425	196
22.0	Transportation of things	84	87	40
23.2	Rental payments to others	390	402	186
23.3	Communications, utilities, and miscella-	500	550	0.50
	neous charges	536	553	256
24.0	Printing and reproduction	1	1	
25.0	Other services	1,057	1,618	1,527
25.0	Construction contracts	3,589	3,954	
26.0	Supplies and materials	599	618	286

# General and special funds-Continued

# RESOURCE CONSERVATION AND DEVELOPMENT—Continued

# Object Classification (in thousands of dollars)—Continued

Identifica	alion code 12-1010-0-1-302	1985 actual	1986 est.	1987 est.
31.0	Equipment	1,024	1,057	489
41.0	Grants, subsidies, and contributions	4,629	5,099	
42.0	Insurance claims and indemnities	2	2	1
99.0	Subtotal, direct obligations	25,332	26,935	11,400
99.0	Reimbursable obligations	1,736	2,000	
	ALLOCATION ACCOUNTS			
	Personnel compensation:			
11.1	Full-time permanent	205	191	
11.3	Other than full-time permanent	1	1	
11.5	Other than fun-time permanent			
11.9	Total personnel compensation	206	192	
12.1	Personnel benefits: Civilian	26	24	
21.0	Travel and transportation of persons	20	18	
22.0	Transportation of things	1	1	
23.1	Standard level user charges	12	12	
23.2	Rental payments to others	5	4	
23.3	Communications, utilities, and miscellane-			
	ous charges	12	10	
24.0	Printing and reproduction	1	1	
25.0	Other services	10	7	
26.0	Supplies and materials	1	1	
31.0	Equipment	2	2	
41.0	Grants, subsidies, and contributions	637	571	
99.0	Subtotal, allocation accounts	933	843	***************************************
99.9	Total obligations	28,001	29,778	11,400
Obligat	tions are distributed as follows:			
Soil	Conservation Service	27,068	28,935	11,400
Fari	mers Home Administration	141	119	
Fore	est Service	792	724	

Personnel	Summary
i ci sommer	Julillially

SOIL CONSERVATION SERVICE			
Total number of full-time permanent positions Total compensable workyears:	334	342	
Full-time equivalent employment Full-time equivalent of overtime and holiday	398	398	40
hours	2	2	1
ALLOCATION ACCOUNTS			
Total number of full-time permanent positions Total compensable workyears: Full-time equivalent	8	7	
employment	8	7	

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

IdenIificat	ion code 12-1010-6-1-302	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations	***************************************	-1,210	
25.00	inancing: Reduction in new spending authority (off-			
23.00	setting collections)		85	
40.00	Budget authority (appropriation)		-1,125	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		1,210	
72.40	Obligated balance, start of year			<b>— 452</b>
74.40	Obligated balance, end of year		452	
90.00	Outlays		<b>—758</b>	<b>— 452</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

Trust Funds

#### MISCELLANEOUS CONTRIBUTED FUNDS

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-8210-0-7-300	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	1,642	8,107	560
F	inancing:			
21.40	Unobligated balance available, start of year	-8,759	<b>—7,547</b>	
24.40	Unobligated balance available, end of year	7,547		
60.00	Budget authority (appropriation)			
	(permanent, indefinite)	431	560	560
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,642	8,107	560
72.40	Obligated balance, start of year	1,095	931	6,878
74.40	Obligated balance, end of year	<u>-931</u>	6,878	
90.00	Outlays	1,806	2,160	1,869

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Funds received from State and local organizations, and others are available for work under cooperative agreements for soil survey, watershed protection, and resource conservation and development activities. All activities of this program involving watershed protection and resource conservation and development will be terminated by the end of 1987.

Object Classification (in thousands of dollars)

Identifica	tion code 12-8210-0-7-300	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	513	519	248
11.3	Other than full-time permanent	29	29	
11.5	Other compensation	17	17	2
11.9	Total personnel compensation	559	564	250
12.1	Personnel benefits: Civilian	72	72	22
13.0	Benefits for former personnel			180
21.0	Travel and transportation of persons	8	8	3
22.0	Transportation of things	2	2	3
23.3	Communications, utilities, and miscellane-			
	ous charges	30	30	12
24.0	Printing and reproduction	19	31	į
25.0	Other services	93	2,021	15
25.0	Construction contracts	545	5,000	61
26.0	Supplies and materials	13	50	
31.0	Equipment	287	299	4
41.0	Grants, subsidies and contributions	6	10	
44.0	Refunds	8	20	
99.9	Total obligations	1,642	8,107	560

Total compensable workyears: Full-time equivalent	22	
employment	24	2

# Allocations Received From Other Agencies

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows: Agriculture: Soil Conservation Service:

<sup>&</sup>quot;Watershed and flood prevention operations." "Resource conservation and development."

Agriculture: Agricultural Stabilization and Conservation Service, "Water bank act pro-Commerce:

Commerce:

Economic Development Administration: "Development facilities."

Regional Action Planning Commission: "Regional development programs."

Energy: "Building and community systems."

Environmental Protection Agency: "Abatement and control fund."

U.S. Treasury: "Energy security reserve."

Appalachian Regional Commission, "Appalachian regional development programs."

Federal Emergency Management Administration, "Disaster relief."

Laterior: Office of Surface Minist Reclamation, and Engenery "Buyel Abana"

Interior: Office of Surface Mining Reclamation and Enforcement, "Rural Abandoned Mine Program.

# ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Federal Funds

General and special funds:

#### SALARIES AND EXPENSES

#### (INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426-426b); and to protect the environment, as authorized by law, \$253,156,000; of which \$2,982,000 shall be available for the control of outbreaks of insects, plant diseases and animal diseases to the extent necessary to meet emergency conditions: Provided, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: Provided further, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available for the operation and maintenance of aircraft, and the purchase of not to exceed two, of which one shall be for replacement only: Provided further, That in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious diseases or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts. (10 U.S.C. 2306; 15 U.S.C. 69e, 1821-31; 16 U.S.C. 1531-43; 18 U.S.C. 1114; 19 U.S.C. 1306; 21 U.S.C. 101-105, 111-114, 114a-114c; 114d-1, 114e-131, 134-135b, 151-158; 26 U.S.C. 4491-94; 45 U.S.C. 71-74; 46 U.S.C. 466a-466(b); 49 U.S.C. 1471(a)-1509(d), 1741; 46 Stat. 67; 78 Stat. 939-940.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-1600-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities: Direct program:			
00.01	Plant disease and pest control	121,154	115,877	83,519
00.02	Animal disease and pest control	176,476	175,649	156,655
00.03	Animal damage control		19.880	10.000
00.04	Construction of facilities		. 4	
00.05	Contingencies		2,982	2,982
00.91	Total direct program	297,630	314,392	253,156
01.01	Reimbursable program	36,849	16,741	15,500
10.00	Total obligations	334,479	331,133	268,656
F	inancing:			
	Offsetting collections from:	00104	4.500	4.507
11.00	Federal funds	<b>— 28,194</b>	<b>— 4,533</b>	<b>— 4,507</b>

14.00 21.40 24.40	Non-Federal sources	-9,979 -2,027 3,352	- 8,860 - 3,352	— 10,993 
25.00	Unobligated balance lapsing	927		
39.00	Budget authority	298,557	314,388	253,156
В	udget authority:			
40.00	Appropriation	298,557	316,286	253,156
40.00	Reduction pursuant to P.L. 99-190		<b>— 1,898</b>	
43.00	Appropriation (adjusted)	298,557	314,388	253,156
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	296,306	317,740	253,156
72.40	Obligated balance, start of year	37,608	36,287	39,639
74.40	Obligated balance, end of year	<b>— 36,287</b>	39,639	<b>— 39,639</b>
77.00	Adjustments in expired accounts	59		
90.00	Outlays	297,685	314,388	253,156

# SUMMARY OF BUDGET AUTHORITY (in thousands of dollars)

nate
156
156
942

-1,942 Budget authority ..... -20,856Outlavs..... -20.856298,557 300,869 232,300 Budget authority ..... 297,685 302,430 230,358 Outlavs .....

The major objectives of the Animal and Plant Health Inspection Service are to protect the animal and plant resources of the Nation from destructive pests and diseases.

Plant disease and pest control.—Through inspections at ports of entry, insects, plant diseases, nematodes and animal pests and diseases harmful to agriculture are prevented from entering this country. Cooperative programs with the States are conducted to prevent the spread of and/or to eradicate certain plant pests already established in this country. The 1987 estimates maintain support for plant disease and pest control efforts, while decreasing the boll weevil, golden nematode, grasshopper and pink bollworm programs and eliminating the imported fire ant, noxious weeds and witchweed programs. Legislation will be proposed to recover \$1.8 million in fees for certifying the health of plant exports.

Animal disease and pest control.—Inspections and programs are conducted to keep communicable diseases of foreign origin from entering this country and to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics. In cooperation with States, programs are directed at the control and eradication of livestock diseases present in this country. Foreign animal diseases, should they enter this country are rapidly diagnosed and outbreaks which are of economic significance and for which the Secretary of Agriculture declares a national emergency are controlled and eradicated. The 1987 estimates continue support for the majority of animal disease and pest control programs, in-

#### General and special funds-Continued

# Salaries and Expenses—Continued (INCLUDING TRANSFERS OF FUNDS)—Continued

cluding the brucellosis and screwworm eradication programs. The budget proposes elimination of the animal welfare, horse protection, and pseudorabies programs. Legislation will be proposed to recover total costs for the import-export and veterinary biologics programs through user fees, as well as \$2.0 million for diagnostic activities.

Animal Damage Control.—Conducted to reduce wild-life-caused damage to agricultural interests and protect land use and wildlife resource values through the maintenance of a Federal presence in cooperation with the States and other cooperators. The Department of Interior conducted the program prior to 1986. The budget proposes a decrease for this program in fiscal year 1987.

Construction of facilities.—In 1981, the Congress appropriated funds under a separate account to APHIS, Buildings and Facilities. The activity reflected shows obligations from prior year moneys.

Contingencies.—The 1987 estimates provide a contingency fund of \$3.0 million.

#### Object Classification (in thousands of dollars)

Identificat	tion code 12-1600-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	112,210	109,609	104,687
11.3	Other than full-time permanent	5,256	5,615	5,084
11.5	Other personnel compensation	6,724	7,457	7,210
11.9	Total personnel compensation	124,190	122,681	116,98
12.1	Personnel benefits: Civilian	18,131	20,148	17,983
13.0	Benefits for former personnel	364	462	5,03
21.0	Travel and transportation of persons	8.624	9,716	6,11
22.0	Transportation of things	2,051	2,395	1,45
23.2	Rental payments to others	2,282	2,472	1,28
23.3	Communications, utilities, and miscella-	,	,	1,20
	neous charges	10,072	12,744	8,84
24.0	Printing and reproduction	934	1,159	75
25.0	Other services	53,711	68,777	44,87
26.0	Supplies and materials	25,242	27,190	14.12
31.0	Equipment	15,350	11,301	5.16
32.0	Lands and structures		4	
	Grants, subsidies, and contributions:	***************************************	,	•••••
41.0	Payments to Mexican-United States			
11.0	Commission for the Prevention of			
	Foot-and-Mouth Disease	94	100	8
41.0	Payments to Joint United States-	34	100	0
41.0	Mexico Screwworm Commission	10 702	21 000	17.00
41.0		19,792	21,000	17,90
41.0	Payments to Joint United States-			
	Panama Commission; United			
	States-Colombia Mechanism to			
	Prevent Introduction of Foot-and-			
	Mouth Disease at Darien Gap	1,268	1,400	1,16
41.0	Payments to Joint Commission on			
	the Mediterranean fruit fly	3,124	3,124	3,12
	Insurance claims and indemnities:			
42.0	Brucellosis	6,625	8,000	6,81
42.0	Scrapie of sheep	262	350	30
42.0	Tuberculosis	5.053	1.350	1.14
42.0	Insurance claims	33	19	-,
42.0	Exotic new castle	428		
99.0	Subtotal, direct obligations	297,630	314,392	253,15
99.0	Reimbursable obligations	36,849	16,741	15,50
99.9	Total obligations	334,479	331,133	268,65

# Personnel Summary

-		
4,245	4,582	4,416
4,472	4,470	4,513
128	134	134
196	147	143
267	171	147
146	140	140
	4,472 128 196 267	4,472     4,470       128     134       196     147       267     171

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

ram by activities:			
otal obligations		-13,900	
ncing:			
		381	
Budget authority (appropriation)		<b>— 13,519</b>	***************************************
ion of obligations to outlays:			
bligations incurred, net		13,900	***************************************
			-1.942
		1,942	
Outlays		—11,958	<b>—1,561</b>
	tal obligations	atal obligations	tal obligations

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# SALARIES AND EXPENSES

#### (Proposed for later transmittal, proposed legislation)

### Program and Financing (in thousands of dollars)

Identification code 12–1600–2–1–352	1985 actual	1986 est.	1987 est.
Identification code 12-1000-2-1-332	1303 901091	1300 621.	130/ 631.
Program by activities: 10.00 Total obligations			20,856
Financing:			
14.00 Offsetting collections from: Non-Fed			
sources			20,856
40.00 Budget authority (appropriatio	n)		<b>— 20,856</b>
Relation of obligations to outlays:			
71.00 Obligations incurred net		***************************************	<b>— 20,856</b>
90.00 Outlays			-20,856

This schedule reflects a legislative proposal to finance plant and animal disease and pest control activities on a user-charge basis.

#### BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, \$2,347,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Program and Financing	(in	thousands	of	dollars)	ı
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Identifical	ion code 12-1601-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
10.00	Total obligations (object class 32.0)	3,066	2,627	7,825
F	inancing:			
21.40	Unobligated balance available, start of			
	year	<b>— 4,573</b>	-3,869	<b>—</b> 5,478
24.40	Unobligated balance available, end of year	3,869	5,478	
39.00	Budget authority	2,361	4,236	2,347
В	udget authority:			
40.00	Appropriation	2,361	4,262	2,347
40.00	Reduction pursuant to P.L. 99–190			
43.00	Appropriation (adjusted)	2,361	4,236	2,347
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	3,066	2,627	7,825
72.40	Obligated balance, start of year	3,675	3,343	730
74.40	Obligated balance, end of year	-3,343	<u>730</u>	-4,139
90.00	Outlays	3,397	5,240	4,416

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In Ihousands of dol	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	2,361	4,236	2,347
Outlays	3,397	5,240	4,416
Reduction pursuant to P.L. 99-177:			
Budget authority		182	
Outlays			-182
Total:			
Budget authority	2,361	4,054	2,347
Outlays	3,397	5,240	4,234

The 1987 estimates provide for construction, repairs, and alterations as needed for APHIS operated facilities, which include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories.

# Reduction Pursuant to Public Law 99-177

Program	and	Financing	(in	thousands	of	dollars)	,
---------	-----	-----------	-----	-----------	----	----------	---

Identificat	tion code 12-1601-6-1-352	1985 actual	1986 esl.	1987 est.
Program by activities: 10.00 Total obligations		**********	<b>—182</b>	
F	inancing:			
40.00	Budget authority (appropriation)		<b>—182</b>	
R	relation of obligations to outlays:			
71.00	Obligations incurred, net		-182	
72.40	Obligated balance, start of year			-187
74.40	Obligated balance, end of year		182	
				-182

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Trust Funds

#### MISCELLANEOUS TRUST FUNDS

#### Program and Financing (in thousands of dollars)

	Trogram and Financing (iii	inousanus or c	Johan S/	
Identifica	ion code 12-9971-0-7-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01	Expenses and refunds, inspection, certifica-			
00.02	tion and quarantine of animal products Expenses, feed, and attendants for animals	2	***************************************	******
00.02	in quarantine	2,519	2,325	2,325
00.03	Miscellaneous contributed funds	2,311	2,410	2,410
10.00	Total obligations	4,832	4,735	4,735
	inancing:			
21.40	Unobligated balance available, start of year	-617	— 887 - 887	- 887
24.40	Unobligated balance available, end of year	887	887	887
60.00	Budget authority (appropriation)			. =0.5
	(permanent, indefinite)	5,103	4,735	4,735
	elation of obligations to outlays:			
71.00	Obligations incurred, net	4,832	4,735	4,735
72.10	Receivables in excess of obligations, start of year	<b>— 249</b>		
72.10	Receivables in excess of obligations, start			
72.40	of year	<b>— 249</b>	311	1.000
74.40	Obligated balance, start of year Obligated balance, end of year		-1,069	1,069 —1,069
90.00	Outlays	4,273	3,977	4,735
Distribu	ition of budget authority by account:			
	enses, feed, and attendants for animals in	0.707	0.005	0.005
	uarantine	2,737	2,325	2,325
Misc	ellaneous contributed funds	2,366	2,410	2,410
Distribu	tion of outlays by account:			
	enses and refunds, inspection, certification,	2		
		-3	***************************************	***************************************
	uarantine	2,173	1,953	2,325
,	ellaneous contributed funds	2,103	2,024	2,410
Expe a Expe q	enses and refunds, inspection, certification, and quarantine of animal productsenses, feed, and attendants for animals in uarantine	,		

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

Į tiisestinas er ee			
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	5,103	4,735	4,735
Outlays	4,273	3,977	4,735
Reduction pursuant to P.L. 99–177:			
Budget authority			
Outlays		-65	-35
Total:			
Budget authority	5,103	4,735	4,735
Outlays	4,273	3,912	4,700
,			

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others:

Expenses and refunds, inspection, certification, and quarantine of animal products.—This includes inspection of products intended for human consumption and those products and byproducts not intended for human food. Animal products and byproducts moving in interstate and foreign commerce are subject to inspection and quarantine regulations to prevent the introduction and spread of animal diseases. Fees are paid in advance for services to be rendered (7 U.S.C. 1621–1627) (21 U.S.C. 111).

#### MISCELLANEOUS TRUST FUNDS-Continued

Expenses, feed, and attendants for animals in quarantine.—Costs associated with the care of animals are paid from fees advanced by importers (21 U.S.C. 102).

Miscellaneous contributed funds.—Funds are received from States, local organizations, individuals, and others and are available for plant and animal quarantine inspection and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 2220). Commencing with 1979, fees were collected for the importation of commercial birds.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-9971-0-7-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	1,171	1,170	1,170
11.3	Other than full-time permanent	356	356	35€
11.5	Other personnel compensation	315	315	315
11.9	Total personnel compensation	1,841	1,841	1,841
12.1	Personnel benefits: Civilian	190	190	190
21.0	Travel and transportation of persons	438	438	438
22.0	Transportation of things	36	36	36
23.2	Rental payments to others	198	198	198
23.3	Communications, utilities, and miscellane-			
	ous charges	400	400	400
24.0	Printing and reproduction	3	3	3
25.0	Other services	1,219	1,307	1,307
26.0	Supplies and materials	306	306	306
31.0	Equipment	16	16	16
44.0	Refunds	184		
99.9	Total obligations	4,832	4,735	4,735
	Personnel Sum	mary		
	number of full-time permanent positions	53	53	53
	compensable workyears: -time equivalent employment	73	71	70
	-time equivalent of overtime and holiday	, 5	, ,	,,
	hours	6	6	f

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-9971-6-7-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Expenses, feed, and attendants for animals in quarantine (total obligations)		100	
F	inancing:			
21.40	Unobligated balance available, start of year			-100
24.40	Unobligated balance available, end of year		100	100
39.00	Budget authority			
R	elation of obligations to outlays;			
71.00	Obligations incurred, net		-100	
72.40	Obligated balance, start of year		******************	- 35
74.40	Obligated balance, end of year		35	
90.00	Outlays		-65	-3

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# FEDERAL GRAIN INSPECTION SERVICE

#### Federal Funds

General and special funds:

#### SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, \$6,979,000, including employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$20,000 for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: Provided further, That none of the funds provided by this Act may be used to pay the salary of any person who requires, or who authorizes payments from fee-supported funds to any person who requires nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94-582 other than those necessary to fulfill the purposes of such Act. (7 U.S.C. 71, 74-79, 84-87h, 1621-27

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-2400-0-1-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Total obligations	6,685	7,003	6,979
	inancing:			
25.00	Unobligated balance lapsing	309		
39.00	Budget authority	6,994	7,003	6,979
В	udget authority:			
40.00	Appropriation	6,994	7,045	6,979
40.00	Reduction pursuant to P.L. 99–190		<b>— 42</b>	
43.00	Appropriation (adjusted)	6,994	7,003	6,979
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	6,685	7,003	6,979
72.40	Obligated balance, start of year	1,671	2,146	2,146
74.40	Obligated balance, end of year	-2,146	-2,146	-2,146
77.00	Adjustments in expired accounts	270		
90.00	Outlays	6,480	7,003	6,979

### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In Thousands of dol	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	6,994	7,003	6,979
Outlays	6,480	7,003	6,979
Reduction pursuant to P.L. 99-177:			
Budget authority		-301	
Outlays		<b>— 251</b>	-50
Proposed for later transmittal under proposed legis-			
lation:			
Budget authority			6.979
Outlays			-6.979
Total:			
Budget authority	6,994	6,702	***************************************
Outlays	6,480	6,752	<b>—50</b>

The FGIS provides for the establishment of official United States standards for grain, promotes the uniform application thereof by official inspection personnel, provides for an official inspection system for grain, and regulates the weighing and certification of the

weight of grain shipped in interstate or foreign commerce as authorized by the U.S. Grain Standards Act (USGSA), as amended, and the regulations thereof, and the Agricultural Marketing Act of 1946 (AMA).

Standardization activities include establishing and updating U.S. grain standards and research; developing and improving methods to ensure the accurate and uni-

form application of the standards.

Compliance activities include the delegation, designation and review of the official performance of State and private inspection agencies, licensing of personnel and investigation of technical violations.

The International Monitoring Staff will brief foreign buyers, assess foreign inspection and weighing techniques, and respond to foreign quality and quantity

complaints.

An advisory committee consisting of members from the grain industry was established to advise the agency regarding efficient and economical implementations of the USGSA.

U.S. standards in effect at end of year New and revised standards issued during fiscal	1985 actual 20	1986 estimate 20	<i>1987 estimate</i> 20
year	4	1	6
Standards reviews in progress	3	11	17
Standards reviews completed	4	1	10
Inspection techniques developed	10	6	6
Equipment evaluated	8	8	8
On-site investigations	6	10	12
Designations renewed	27	27	27
Registration certificates issued	128	130	130

# Object Classification (in thousands of dollars)

Identifica	ation code 12-2400-0-1-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	3,709	4,086	4.068
11.3	Other than full-time permanent	. 6	35	35
11.5	Other personnel compensation	16	9	9
11.9	Total personnel compensation	3,731	4,130	4,112
12.1	Personnel benefits: Civilian	493	574	568
13.0	Benefits for former personnel	72	100	100
21.0	Travel and transportation of persons	254	368	368
22.0	Transportation of things	23	32	32
23.2	Rental payments to others	29	32	32
23.3	Communications, utilities, and miscellane-			
	ous charges	225	298	298
24.0	Printing and reproduction	37	87	87
25.0	Other services	1,386	1,090	1,090
26.0	Supplies and materials	129	117	117
31.0	Equipment	306	175	175
99.9	Total obligations	6,685	7,003	6,979

# Reduction Pursuant to Public Law 99-177

Total number of full-time permanent positions........ Total compensable workyears: Full-time equivalent

employment.....

97

121

138

156

138

155

Program and Financing (in thousands of dollars)

Identification code 12-2400-6-1-352	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Total obligations		-301	
Financing: 40.00 Budget authority (appropriation)		-301	

	elation of obligations to outlays:		
71.00	Obligations incurred, net	 - 301	
72.40	Obligated balance, start of year	 	-50
	Obligated balance, end of year	50	
90.00	Outlays	 <b>— 251</b>	<b>— 50</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identifica	tion code 12-2400-2-1-352	1985 actual	1986 est.	1987 est.
	Program by activities: Total obligations			<b>—6,979</b>
40.00	inancing: Budget authority (appropriation)			<b>— 6,979</b>
71.00	lelation of obligations to outlays: Obligations incurred, net			<b>— 6,979</b>
90.00	Outlays			<b>—6,979</b>

Legislation will be proposed to fund all standardization and compliance activities in the Inspection and Weighing Services revolving fund from user fees.

#### Object Classification (in thousands of dollars)

Identifica	tion Code 12-2400-2-1-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			_
11.1	Full-time permanent			-4,06
11.3	Other than full-time permanent			_3
11.5	Other personnel compensation			_
11.9	Total personnel compensation			-4.11
12.1	Personnel benefits: Civilian			— 5 <del>6</del>
13.0	Benefits for former personnel	***************************************		-10
21.0	Travel and transportation of persons		***************************************	-36
22.0	Transportation of things			-3
23.2	Rental payments to others			-3
23.3	Communications, utilities, and miscellane-			
	ous charges			-29
24.0	Printing and reproduction			-8
25.0	Other services			-1,09
26.0	Supplies and materials			-11
31.0	Equipment			
99.9	Total obligations	•••••		<b>-6,9</b> 7
	Personnel Sum	ımary		
	number of full-time permanent positions compensable workyears: Full-time equivalent			-13
	oloyment			-1

# Public enterprise funds:

#### INSPECTION AND WEIGHING SERVICES

#### LIMITATION ON INSPECTION AND WEIGHING EXPENSES

Not to exceed \$36,829,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services.

Note.—A regular 1986 limitation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) limits funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Public enterprise funds-Continued

INSPECTION AND WEIGHING SERVICES-Continued LIMITATION ON INSPECTION AND WEIGHING EXPENSES—Continued Program and Financing (in thousands of dollars)

Identifica	tion code 12-4050-0-3-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	31,773	36,856	36,829
F	inancing:			
14.00	Offsetting collections from: Non-Federal			
	sources	-32,434	<b>— 36,856</b>	<b>-36,829</b>
21.98	Unobligated balance available, start of		10.101	
	year: Fund balance	—11,470	-10,131	-10,131
24.98	Unobligated balance available, end of year:	10 121	10 121	10 121
27.00	Fund balance	10,131 2,000	10,131	10,131
27.00	Capital transfer to general runu			
39.00	Budget authority	***************************************		
R	relation of obligations to outlays:			
71.00	Obligations incurred, net	-661		
72.98	Obligated balance, start of year: Fund bal-			
7.00	ance	-2,171	-1,939	-1,939
74.98	Obligated balance, end of year: Fund bal-	1.020	1.020	1.000
	ance	1,939	1,939	1,939
90.00	Outlays	<b>— 893</b>		

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]	Fin	thousands (	of dollars?
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[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority			
Outlays	893		
Reduction pursuant to P.L. 99-177:			
Budget authority	•••••	•••••	
Outlays		-1,585	
Total:			
Budget authority			
Outlays	<b>— 893</b>	-1.585	
Outay 3	033	-1,303	

The Federal Grain Inspection Service provides a uniform system for the inspection and weighing of grain. Services provided under this system are financed through a fee supported revolving fund.

Fee supported programs include direct services, supervision activities and administrative functions. Direct services include official grain inspection and weighing by FGIS employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. FGIS supervises the inspection and weighing activities performed by its own employees. The agency also oversees the inspection and weighing of grain performed by employees of 8 delegated States and 81 designated State and private agencies. FGIS provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, FGIS conducts a railroad track scale testing program. In addition, the agency provides grading services on request for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

	1985 actual	1986 estimate	1987 estimate
Export grain inspected and weighed (million metric			
tons):			
By Federal personnel	78.2	74.5	74.5
By delegated States	22.9	21.8	21.8
Quantity of grain inspection (all official inspec-			
tions) million metric tons	269.1	269.1	269.1
Number of licensee inspection and reinspections	2.761.192	2.760.000	2.760.000
	_,,	_, , ,	_,. 50,000

Number of appeals	16.436	16,400	16.400
Number of appeals carried to the Board of Appeals.	1,288	1,300	1,300
Quantity of rice inspected (million metric tons)	3.0	2.8	2.8
Quantity of rice exports (million metric tons)	2.0	1.8	1.8

### Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Operating income or loss: Inspection and weighing services:			
Revenue	32,434	36,856	36,829
Expense	31,773	36,856	36,829
Net income for the year	1 661		

This amount reflects accounting adjustments made in 1985. Program operations for fiscal year 1985 generated obligations. of \$31,467,121 and revenues of \$31,730,663 resulting in a positive margin of \$263,542.

#### Financial Condition (in thousands of dollars)

	1984 actual	1985 actual	1986 est.	1987 est.
Assets:				
Selected assets:				
Fund balance with Treasury Investments, U.S. securities	9,299	2,507	2,507	2,507
(par)		5,685	5,685	5,685
Accounts receivable (net)	4,487	5,041	5,041	5,041
Total assets	13,786	13,233	13,233	13,233
Liabilities:  Selected liabilities:  Accounts payable and accrued liabilities	2 316	3,102	3,102	3,102
Government equity: Selected equities: Unobligated balance (total Gov-				
ernment equity)	11,470	10,131	10,131	10,131
Analysis of changes in Government e	auitv:			
Retained income: Opening balance Transactions: Net income or loss ( –		11,470	10,131	10,131
year		1 —1,339		
Total Government equity (end of	year)	10,131	10,131	10,131

<sup>1</sup> Total reflects a \$2 million repayment to the Department of the Treasury for a Fiscal Year 1984 Supplemental of \$6 million for revolving fund recapitalization.

MM

11.00

# Object Classification (in thousands of dollars)

Identifica	tion code 12-4050-0-3-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	17,432	20,234	20,207
11.3	Other than full-time permanent	587	678	678
11.5	Other personnel compensation	2,891	3,356	3,356
11.9	Total personnel compensation	20,910	24,268	24,241
12.1	Personnel benefits: Civilian	2,591	3,014	3,014
13.0	Benefits for former personnel	194	225	225
21.0	Travel and transportation of persons	914	1,058	1,058
22.0	Transportation of things	117	133	133
23.1	Standard level user charges	679	678	678
23.2	Rental payments to others	360	359	359
23.3	Communications, utilities, and miscellane-			
	ous charges	1,485	1,886	1,886
24.0	Printing and reproduction	164	188	188
25.0	Other services	3,447	3,995	3,995
26.0	Supplies and materials	428	494	494
31.0	Equipment	475	549	549
42.0	Insurance claims and indemnities	9	9	9
99.9	Total obligations	31,773	36,856	36,829

Personnel Summa	ry		
Total number of full-time permanent positions  Total compensable workyears:	642	701	701
Full-time equivalent employment Full-time equivalent of overtime and holiday	725	793	793
hours	77	120	120

# Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	tion code 12-4050-6-3-352	1985 actual	1986 est.	1987 est.
	Program by activities: Total obligations		<b>— 1,585</b>	
	inancing: Reduction in new spending authority (off-setting collections)		<b>—1,585</b>	
39.00	Budget authority			
71.00	elation of obligations to outlays: Obligations incurred, net		-1,585	
90.00	Outlays		-1,585	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# INSPECTION AND WEIGHING SERVICES LIMITATION ON ADMINISTRATIVE EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code 12-4050-2-3-352	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Total obligations			6,979
Financing: 14.00 Offsetting collections from: Non-Federal			<b>—</b> 6,979
39.00 Budget authority			
Relation of obligations to outlays: 71.00 Obligations incured, net			
90.00 Outlays			

Legislation will be proposed to fund all compliance and standardization activities in the Inspection and Weighing Services revolving fund from user fees.

# Object Classification (in thousands of dollars)

Identificat	tion code 12-4050-2-3-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent			4,068
11.3	Other than full-time permanent			35
11.5	Other personnel compensation			9
11.9	Total personnel compensation			4.112
12.1	Personnel benefits: Civilian			568
13.0	Benefits for former personnel			100
21.0	Travel and transportation of persons			368
22.0	Transportation of things			32
23.2	Rental payments to others			32
23.3	Communications, utilities, and miscellane-			
	ous charges			298
24.0	Printing and reproduction			87
25.0	Other services			1,090
26.0	Supplies and materials			117

31.0	Equipment	<u></u>	 175
99.9	Total obligations		 6,979
	Personnel Sum	mary	
	number of full-time permanent positions compensable workyears: Full-time equivalent		 138
	ployment		 155

# AGRICULTURAL MARKETING SERVICE

#### Federal Funds

General and special funds:

#### MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution and regulatory programs as authorized by law, \$31,053,000, including employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$70,000 for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building. (5 U.S.C. 5542; 15 U.S.C. 714-714p; 21 U.S.C. 1031-56; 26 U.S.C. 4851-54, 4861-65, 4871-77, 6804, 7233, 7263, 7492-93, 7701; 31 U.S.C. 725d.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$28,164,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses.

Note.—A regular 1986 limitation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99–190) limits funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code 12-2500-0-1-352	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Market news service	14,346	14,808	15,029
00.02	Inspection and standardization	12,673	13,483	13,699
00.03	Market protection and promotion	1,972	2,024	1,314
00.04	Wholesale market development	1,665	1,572	1,011
00.91	Total direct program	30,656	31,887	31,053
01.01	Reimbursable program	29,695	31,841	29,752
10.00	Total obligations	60,351	63,728	60,805
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	<b> 552</b>	-391	-391
	Non-Federal sources:			
14.00	User fees	-27,309	<b>— 27,253</b>	- 28,164
14.00	Miscellaneous reimbursements	-1.081	-1,197	-1.197
21.40	Unobligated balance available, start of year	-10,129	-9,377	-6,377
24.40	Unobligated balance available, end of year	9,377	6,377	6,377
25.00	Unobligated balance lapsing	260	***************************************	
39.00	Budget authority	30,916	31,887	31,053
В	sudget authority:			
40.00	Appropriation	31,005	32,208	31,053
40.00	Reduction pursuant to P.L. 99-190		<b>— 193</b>	***************************************
41.00	Transferred to other accounts	<b>— 89</b>	-128	
43.00	Appropriation (adjusted)	30,916	31,887	31,053
R	relation of obligations to outlays:			
71.00	Obligations incurred, net	31,409	34,887	31,053

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# General and special funds-Continued

LIMITATION ON ADMINISTRATIVE EXPENSES—Continued

Program and Financing	(in	thousands of	dollars	) —Continued
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Identificat	tion code 12-2500-0-1-352	1985 actual	1986 est.	1987 est.
72.10	Receivables in excess of obligations, start of year	<b>—2,495</b>		
72.40	Obligated balance, start of year		6,411	6,411
74.40	Obligated balance, end of year	-6,411	-6,411	-6,411
77.00	Adjustments in expired accounts	<b>— 533</b>		
90.00	Outlays	21,970	34,887	31,053

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of	do	lars)
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	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	30.916	31.887	31.053
Outlays	21,970	34.887	31.053
Reduction pursuant to P.L. 99–177:	21,0.0	0.,00.	02,000
Budget authority		-1.371	***************************************
Outlays		-1.918	-676
Proposed for later transmittal under proposed legis-		-,0-0	
lation:			
Budget authority			-26.710
Outlays			-26,710
V4.tu.jv			
Total:			
Budget authority	30,916	30,516	4,343
Outlays	21.970	32,969	3,667
,-	=====		

AMS activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. These services continue to become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the agricultural market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming. The individual activities include:

Market news service.—The market news program provides the agricultural community with information pertaining to the movement of agricultural products. This nationwide service provides reports daily on the supply, demand and price of over 400 commodities throughout the country.

AMS is one of five participants in the USDA Electronic Dissemination of Information (EDI) system. EDI was initiated in July 1985 and releases selected statistical USDA information to the public in electronic form.

Inspection and standardization.—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of uniform quality products for market; and furnish consumers with more definite information on the quality of products they buy. Grading services are provided for cotton and domestic and imported tobacco.

Continuous in-plant inspection of all plants manufacturing liquid, frozen or dried egg products is provided with quarterly inspection of egg handlers and hatcheries to ensure the proper disposition of shell eggs unfit for human consumption. Imported egg products are controlled to make certain that the inspection systems in exporting countries are equal to United States' standards.

A uniform government food specification system is maintained to provide a more efficient Federal food procurement service.

#### COTTON, TOBACCO, AND WAREHOUSE USER FEE PROGRAM

	1985 actual	1986 estimate	1987 estimate
Cotton classed (samples in thousands)	13,620	13,080	11.780
Tobacco auction markets (million pounds)	1,663	1,540	1,550
Tobacco inspected at markets and ports of entry			
(million pounds)	170	170	170

#### FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

	1985 actual	1986 estimate	1987 estimate
Federally inspected establishments: Egg products plants	102	100	100
Federally inspected production (billion pounds): Egg products	1.3	1.3	1.4
States and Commonwealths with cooperative agree- ments: Egg products inspection	52	52	52
Laboratory services (samples analyzed): Food chemistry and microbiology	41,240 932	40,000 730	40,000 730
STANDARDIZATION		750	730
	1005 actual	1006 actimata	1007 actimate

# International and U.S. standards in effect, end of

sists of: (1) the research and promotion programs which are designed to improve the competitive position and expand markets for cotton, eggs, wheat, milk and dairy products, wool, mohair, and potatoes; (2) the Federal Seed Act, Plant Variety Protection Act, and the Export Fruit Acts; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

In a referendum held in August 1985, producers voted

In a referendum held in August 1985, producers voted by an 89.7 percent margin to continue the mandatory 15 cents per hundred weight assessment on all milk marketed by producers in the 48 contiguous States to fund a national dairy product research, promotion and education program. This assessment was originally provided in the Dairy and Tobacco Adjustment Act of 1983.

Federal seed inspectors conduct tests on samples to help assure truthful labeling of agricultural and vegetable seeds sold in interstate commerce. Plant variety protection provides for the issuance of certificates to assure that developers of novel varieties of sexually reproduced plants have exclusive rights to sell, reproduce, import and export such varieties for a period of 18 years.

The Export Fruit Acts promote U.S. foreign trade of various fruits to protect the reputation of U.S. grown fruit in foreign markets and to prevent deception as to the quality of such products moving in foreign commerce.

The Capper-Volstead Act and the Agricultural Fair Practices Act protect producers against discriminatory practices by handlers, permits producers to engage in cooperative efforts, and assures that such cooperatives do not engage in practices that monopolize or restrain trade

The Agricultural Labor Affairs Office was transferred to the Economic Research Service in 1985. This Office is responsible for monitoring producer labor needs and developing policy to help assure adequate agricultural labor sources for continuation of uninterrupted production and harvest.

#### MARKET PROTECTION AND PROMOTION ACTIVITIES

Seed Act:			
Interstate investigations:	1985 actual	1986 estimate	1987 estimate
Completed	887	900	900
Pending	421	400	400
Seed samples tested	2.739	2.600	2.600
Plant Variety Protection Act:	ŕ	·	·
Number of applications received	219	200	210
Certificates of protection issued	155	183	190
Research and Promotion collections (dollars in mil-			
lions):			
Cotton	25.9	29.7	22.6
Dairy-MMO	12.1	12.5	12.5
Dairy—National	78.4	81.7	80.6
Egg	7.6	7.6	7.6
Wool	5.0	5.0	5.0
Wheat and wheat foods	1.5	1.5	1.5
Potato	4.9	5.1	5.1

Wholesale market development.—This program is designed to enhance the marketing of agricultural commodities in the United States by conducting research into more efficient marketing methods for agricultural commodities and by providing technical assistance to urban areas interested in improving their food distribution facilities. Because States are now able to perform this function adequately, Federal participation will end after fiscal year 1986.

### WHOLESALE MARKET DEVELOPMENT ACTIVITIES

	1985 actual	1986 estimate	1987 estimate
Studies and projects completed	9	12	***************************************

For 1987, legislation will be proposed to finance the market news activity; the standardization activity; the Export Fruit Act; the Plant Variety Protection Act; the Market Development and Assistance program; and the inspection of egg processing operations under the Egg Products Inspection Act on a user fee basis. These proposals are designed to align program demand with willingness to pay for these specialized services. In addition, legislation is proposed to repeal the Federal Seed Act and to amend the Egg Products Inspection Act to permit less than continuous inspection of egg processing operations and reduce shell egg surveillance.

# Object Classification (in thousands of dollars)

Identifica	ation code 12-2500-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	18,110	18,898	17,737
11.3	Other than full-time permanent	539	523	515
11.5	Other personnel compensation	245	146	146
11.9	Total personnel compensation	18,894	19,567	18,398
12.1	Personnel benefits: Civilian	2,536	2,746	2,597
13.0	Benefits for former personnel	64	82	876
21.0	Travel and transportation of persons	1.178	1,354	1,329
22.0	Transportation of things	113	120	123
23.2	Rental payments to others	282	290	300
23.3	Communications, utilities, and miscella-			
20.0	neous charges	2,252	2,359	2,431
24.0	Printing and reproduction	173	186	155

99.9	Total obligations	60,351	63,728	60,805
99.0 99.0	Subtotal, direct obligations Reimbursable obligations	30,656 29,695	31,887 31,841	31,053 29,752
43.0	Interest and dividends	1		
31.0	Equipment	716	504	440
26.0	Supplies and materials	447	420	398
25.0	Other services	4,000	4,259	4,006

Personnel Sum	mary		
Direct:			
Total number of full-time permanent positions Total compensable workyears:	653	674	624
Full-time equivalent employment Full-time equivalent of overtime and holiday	682	703	664
hours	6	4 =	4
Reimbursable:			
Total number of full-time permanent positions Total compensable workyears:	182	185	185
Full-time equivalent employment Full-time equivalent of overtime and holiday	666	694	694
hours	34	41	4]

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-2500-6-1-352	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		<b>-2,594</b>	
F	inancing:			
25.00	Reduction in new spending authority (off-		1.000	
	setting collections)		1,223	
40.00	Budget authority (appropriation)		<b>—1,371</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b> 2,594</b>	
72.40	Obligated balance, start of year			<b> 676</b>
74.40	Obligated balance, end of year		676	
90.00	Outlays		-1,918	<b>—676</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# MARKETING SERVICES

(Proposed for later transmittal, proposed legislation)

# Program and Financing (in thousands of dollars)

Identificati	ion code 12-2500-2-1-352	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations			
Fi 14.00	inancing: Offsetting collections from: Non-Federal			
	sources			
40.00	Budget authority (appropriation)	***************************************		26,710
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			-26,710
90.00	Outlays			26,710

Legislation will be proposed to finance these activities on a user fee basis.

#### [PAYMENTS TO STATES AND POSSESSIONS]

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the

12.1 13.1 21.1 22.1 23.1 23.1 23.1

Bu

#### General and special funds-Continued

### [PAYMENTS TO STATES AND POSSESSIONS]—Continued

extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-2501-0-1-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations (object class 41.0)	986	984	
F	inancing:			
25.00	Unobligated balance lapsing	4		***************************************
39.00	Budget authority	990	984	
В	udget authority:			
40.00	Appropriation	990	990	
40.00	Reduction pursuant to P.L. 99–190		6	
43.00	Appropriation (adjusted)	990	984	
R	elation of obligations to outlays:		-	
71.00	Obligations incurred, net	986	984	
72.40	Obligated balance, start of year	818	844	***************************************
74.40	Obligated balance, end of year	<u> </u>		
90.00	Outlays	960	1,828	

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

#### [In thousands of dollars]

[m measures of ass			
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	990	984	
Outlays	960	1,828	
Reduction pursuant to P.L. 99-177:		·	
Budget authority		<b>-42</b>	
Outlays		-1	<b>-41</b>
·			
Total:			
Budget authority	990	942	***************************************
Outlays	960	1,827	<b>—41</b>

Grants are made on a matching fund basis to State departments of agriculture to carry out specifically approved programs designed to enhance marketing efficiency. Under this activity, specialists have worked with farmers, marketing firms, and other agencies in solving marketing problems and in using research results. No program is being proposed in 1987.

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identifical	ion code 12-2501-6-1-352	1985 actual	1986 esi.	1987 est.
P 10.00	rogram by activities: Total obligations		_42	
	inancing:	***************************************	-42	***************************************
40.00	Budget authority (appropriation)		-42	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		42	
72.40	Obligated balance, start of year			-41
74.40	Obligated balance, end of year		41	••••••••••
90.00	Outlays		-1	<b>— 41</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

#### Program and Financing (in thousands of dollars)

Identifical	tion code 12-5070-0-2-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	3,418	3,356	3,356
F	inancing:			
21.40	Unobligated balance available, start of year	<b> 751</b>	<b>—736</b>	<b>—736</b>
24.40	Unobligated balance available, end of year	736	736	736
60.00	Budget authority (appropriation) (permanent, indefinite, special			
	fund)	3,403	3,356	3,356
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	3,418	3,356	3.356
72.40	Obligated balance, start of year	320	242	242
74.40	Obligated balance, end of year		242	<b>— 242</b>
90.00	Outlays	3,497	3,356	3,356

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

#### [In thousands of dollars]

[iii tiiousalius oi oo	liai a j		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	3,403	3.356	3.356
Outlays	3,497	3,356	3.356
Reduction pursuant to P.L. 99–177:	•	,	.,
Budget authority			
Outlays		-102	-42
Total:			
Budget authority	3,403	3,356	3,356
Outlays	3,497	3,254	3,314

License fees are deposited in this special fund and are used to meet the costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491-497, 499a-499s). The current annual license fee is set at \$180 plus \$72 for each additional business facility operated by the applicant in excess of nine facilities, up to a maximum of \$1,200.

The Acts are intended to assure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts.

Further protection was provided by a December 1984 amendment to the Perishable Agricultural Commodities Act which requires traders to have trust assets on hand to meet their obligations to fruit and vegetable suppliers. To preserve their trust and establish their rights ahead of other creditors, unpaid suppliers file notice with both the Department and their debtors that payment is due.

Object Classification (in thousands of dollars)

Identifica	tion code 12-5070-0-2-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	1,967	2.025	2,025
11.3	Other than full-time permanent	23	12	12
11.5	Other personnel compensation	30	30	30
11.9	Total personnel compensation	2,020	2,067	2,067

employment.....

12.1	Personnel benefits: Civilian	297	316	316
13.0	Benefits for former personnel	15	20	20
21.0	Travel and transportation of persons	208	211	211
22.0	Transportation of things	8	5	5
23.1	Standard level user charges	149	154	154
23.2	Rental payments to others	40	41	41
23.3	Communications, utilities, and miscellane-			
	ous charges	192	162	162
24.0	Printing and reproduction	38	39	39
25.0	Other services	256	209	209
26.0	Supplies and materials	178	112	112
31.0	Equipment	17	20	20
99.9	Total obligations	3,418	3,356	3,356
	Personnel Summ	агу		
	number of full-time permanent positions compensable workyears: Full-time equivalent	89	91	91
	oloyment	89	90	90

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-5070-6-2-352	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		-144	
21.40 24.40	inancing: Unobligated balance available, start of year Unobligated balance available, end of year		144	- 144 144
39.00	Budget authority			
71.00 72.40 74.40	elation of obligations to outlays: Obligations incurred, net Obligated balance, start of year Obligated balance, end of year		— 144 42	
90.00	Outlays		<b>—102</b>	42

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Funds for Strengthening Markets, Income, and Supply (Section 32)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than \$6,273,000 for formulation and administration of Marketing Agreements and Orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identification	in code 12-5209-0-2-605	1985 actual	1986 est.	1987 est.
<b>Pr</b> 00.01	ogram by activities: Direct program: Commodity program payments: Child nutrition program pur- chases	336,502	350,900	350,900
00. <b>0</b> 2	Emergency surplus removal	58,111	30,500	
00.91 01.01	Subtotal Administrative expenses	394,613 9,037	381,400 9,083	350,900 9,247
01.92	Total direct program	403,651	390,483	360,147

02.01	Reimbursable program	248	285	285
10.00	Total obligations	403,898	390,768	360,432
F	inancing:			
11.00	Offsetting collections from: Federal			
	funds	<b>— 248</b>	<b>— 285</b>	<b>— 285</b>
21.40	Unobligated balance available,	05 210	170 020	165.070
24.40	start of year Unobligated balance available, end	<b>- 95,218</b>	<b>—178,830</b>	165,070
27.70	of year	178,830	165,070	225,000
20.00	Dudank aukhanika			420.077
39.00	Budget authority	487,263	376,723	420,077
В	udget authority:			
60.00	Appropriation (permanent, indefi-			
	nite, special fund)	2,852,033	3,692,022	3,694,000
61.00	Transferred to other accounts	<b>— 2,364,770</b>	3,315,299	3,273,923
63.00	Appropriation (adjusted)	487,263	376,723	420,077
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	403,651	390,483	360,147
72.10	Receivables in excess of obliga-			
	tions, start of year		<b>—956</b>	
72.40	Obligated balance, start of year	71,677		2,553
74.10	Receivables in excess of obliga-			
74.40	tions, end of year	956	0.550	0.550
74.40	Obligated balance, end of year	***************************************		
90.00	Outlays	476,285	386,974	360,147

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(in thousands of dollars)				
	1985 actual	1986 estimate	1987 estimate	
Enacted/requested:				
Budget authority	487,283	376,723	420,077	
Outlays	476,285	386,974	360.147	
Reduction pursuant to P.L. 99–177:	,			
Budget authority				
Outlays		<b>—</b> 8.991	-7.208	
Proposed for later transmittal under proposed legis-	***************************************	-0,551	-7,200	
lation:				
Budget authority				
Outlays			<b>-</b> 5.937	
Outlays			- 3,337	
Total:				
Budget authority	487.263	376,723	420.077	
Outlays	476.285	377,983	347,002	
Outlay3	770,200	377,303	347,002	

Under section 32 of the act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for nonbasic commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Most of the funds are transferred to the Food and Nutrition Service and are used to purchase commodities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If unforeseen commodity surpluses should develop, unobligated reserve balances are available for surplus removal.

# Object Classification (in thousands of dollars)

Identification co	le 12-5209-0-2-605	1985 actual	1986 est.	1987 est.
	ct obligations: Personnel compensation:			
11.1	Full-time permanent	4,221	4,328	4,328
11.3	Other than full-time permanent	74	30	30

# General and special funds-Continued

Funds for Strengthening Markets, Income, and Supply (Section 32)—Continued

#### Object Classification (in thousands of dollars)—Continued

Identifica	ation code 12-5209-0-2-605	1985 aclual	1986 esl.	1987 est.
11.5	Other personnel compensation	57	6	6
11.9	Total personnel compensation	4,352	4,364	4,364
12.1	Personnel benefits: Civilian	551	600	600
13.0	Benefits for former employees	1	2	3
21.0	Travel and transportation of persons	247	232	239
22.0	Transportation of things	19	10	10
22.0	Transportation of things: Commodities	18,532	17,912	16,480
23.1	Standard level user charges	305	313	327
23.2	Rental payments to others	7	8	8
23.3	Communications, utilities, and miscella-			
	neous charges	491	534	548
24.0	Printing and reproduction	665	649	678
25.0	Other services	2,212	2,220	2,311
25.0	Other services: Commodities	1,850	1,788	1,645
26.0	Supplies and materials	58	44	46
26.0	Supplies and materials: Grants of com-			
	modities to States	374,231	361,700	332,775
31.0	Equipment	129	107	113
42.0	Insurance claims and indemnities	1		
99.0	Subtotal, direct obligations	403,651	390,483	360,147
99.0	Reimbursable obligations	247	285	285
99.9	Total obligations	403,898	390,768	360,432

# Personnel Summary

131	132	132
133	133	133
1		
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# Reduction Pursuant to Public Law 99-177

### Program and Financing (in thousands of dollars)

Identifical	ion code 12-5209-6-2-605	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Commodity program payments:			
00.01	Child nutrition program pur-		15.000	
01.01	chases		— 15,822	
01.01	Administrative expenses			***************************************
10.00	Total obligations		-16,199	
F	inancing:			
21.40	Unobligated balance available,			
	start of year			-16,199
24.40	Unobligated balance available, end			
	of year		16,199	16,199
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-16,199	
72.40	Obligated balance, start of year			<b>—7,208</b>
74.40	Obligated balance, end of year		7,208	
90.00	Outlays		<b>— 8,991</b>	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

# Funds for Strengthening Markets, Income, and Supply (Section 32)

(Proposed for later transmittal, proposed legislation)

# Program and Financing (in thousands of dollars)

Identificat	tion code 12-5209-2-2-605	1985 actual	1986 est.	1987 esl.
Р	rogram by activities:			
01.01	Direct program: Administrative expenses			-5,937
02.01	Reimbursable program			
10.00	Total obligations			<b>-6,021</b>
F	inancing:			
11.00	Offsetting collections from: Federal funds			84
24.40	Unobligated balance available, end of year			5,937
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			<b>— 5,937</b>
90.00	Outlays			- 5,937

Legislation will be proposed to finance the Federal administration of Marketing Agreements and Orders on a user fee basis, with collections reflected in the Marketing Services account.

# Object Classification (in thousands of dollars)

Identifica	ition code 12-5209-2-2-605	1985 actuai	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Permanent positions			-3.24
11.3	Positions other than permanent			-2
11.5	Other personnel compensation			
	· ·			
11.9	Total personnel compensation			-3,27
12.1	Personnel benefits: Civilian		•••••	<b></b> 50
13.0	Benefits for former personnel			-
21.0	Travel and transportation of persons			- 19
22.0	Transportation of things			-1
23.1	Standard level user charges			<b>—</b> 29
23.2	Rental payments to others			_
23.3	Communications, utilities, and miscella-			
	neous charges			- 42
24.0	Printing and reproduction			67
25.0	Other services			- 48
26.0	Supplies and materials			-3
31.0	Equipment			_4
99.0	Subtotal direct obligations			- 5.93
99.0 99.0	Subtotal, direct obligations Reimbursable obligations			— 5,95 — {
33.0	MEHITINAL SANIE ANTIRACIONS			
99.9	Total obligations			-6.02

# Trust Funds

# MISCELLANEOUS TRUST FUNDS

Identifical	ion code 12-9972-0-7-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Expenses and refunds, inspection and			
	grading of farm products:			
00.01	Dairy products	11,870	11,038	9,774
00.02	Fruits and vegetables	39,057	33,084	30,831
00.03	Meat grading	19,630	20,501	18,943
00.04	Poultry products	18,993	20,471	17,796
00.05	Miscellaneous agricultural commodities	368	518	229
00.11	Price support assessments	1,820	805	805
10.00	Total obligations	91,738	86,417	78,378

F	inancing:			
21.40 24.40	Unobligated balance available, start of year Unobligated balance available, end of year	- 20,546 8,039	<b>— 8,039</b>	
60.00	Budget authority (appropriation) (permanent, indefinite)	79,231	78,378	78,378
R	elation of obligations to outlays:			
71.00 72.10	Obligations incurred, net	91,739	86,417	78,378
74.10	of year	-628	<b>-6,018</b>	<b> 6,018</b>
	year	6,018	6,018	6,018
90.00	Outlays	97,129	86,417	78,378

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dol	lars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	79.231	78,378	78,378
Outlays	97,129	86.417	78,378
Reduction pursuant to P.L. 99–177: Budget authority	,		
Outlays			
Total:			
Budget authority	79.231	78.378	78.378
Outlays	97,129	83,435	78,171

Expenses and refunds, inspection and grading of farm products.—The commodity inspection and grading programs provide grading, examination, and certification services for a wide variety of fresh and processed food commodities using federally approved grade standards and purchase specifications. Commodities graded include poultry, livestock, meat, dairy products, and fresh and processed fruits and vegetables. These programs use official grade standards which reflect the relative quality of a particular food commodity based on laboratory testing and characteristics such as taste, color, weight and physical condition. Producers voluntarily request grading and certification services which are provided on a fee for service basis.

	1985 actual	1986 estimate	1987 estimate
Cottonseed grade certificates issued (in thousands)	26	45	36
Livestock graded (million pounds)	332	311	311
Poultry products graded (includes rabbits—million			
pounds)	12.718	13,394	13.631
Shell eggs graded (million dozens)	1.822	1.855	1.828
Poultry accepted (million pounds)	835	880	900
Eggs accepted (million dozens)	492	500	495
Meat graded (million pounds)	13.013	13,000	13,000
Meat accepted (million pounds)	1.891	2.000	2,000
Processed fruits and vegetables inspected (million	2,002	2,000	2,000
pounds)	12,394	12.500	13.000
Fresh fruits and vegetables inspected (million	12,00	22,000	20,000
pounds)	67,000	69.000	70.000
Dairy products graded (million pounds)	4,440	5.165	5.165
Market reports issued (in thousands)	2.332	2,352	2.370
market reports issued (in thousands)	2,002	2,552	2,070

# Object Classification (in thousands of dollars)

	· · · · · · · · · · · · · · · · · · ·			
Identifica	ntion code 12-9972-0-7-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	42,292	42,952	42,952
11.3	Other than full-time permanent	4,268	4,491	4,491
11.5	Other personnel compensation	5,630	5,359	5,359
11.9	Total personnel compensation	52,190	52,802	52,802
12.1	Personnel benefits: Civilian	6,749	6,827	6,827
13.0	Benefits for former personnel	551	548	548
21.0	Travel and transportation of persons	5,046	5,079	5,079
22.0	Transportation of things	183	121	121

23.1	Standard level user charges	1,264	1,228	1,228
23.2	Rental payments to others	211	190	190
23.3	Communications, utilities, and miscellane-			
	ous charges	1,854	1,666	1,666
24.0	Printing and reproduction	520	400	400
25.0	Other services	8,045	8,487	8,487
26.0	Supplies and materials	790	689	689
31.0	Equipment	375	341	341
33.0	Investments and loans	13,956	8,039	
42.0	Insurance claims and indemnities	2		
43.0	Interest and dividends	2		
99.9	Total obligations	91,738	86,417	78,378

#### Personnel Summary

Total number of full-time permanent positions	1,688	1,699	1,699
Total compensable workyears: Full-time equivalent employment	1,891	1,911	1,875
Full-time equivalent of overtime and holiday hours	167	156	156

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

dentificat	ion code 12-9972-6-7-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Expenses and refunds, inspection and			
	grading of farm products:			
00.01	Dairy products	***************************************	<b>-412</b>	
00.02	Fruits and vegetables		-1,198	
00.03	Meat grading		<b>— 765</b>	
00.04	Poultry products		<b>—765</b>	
00.05	Miscellaneous agricultural commodities		-19	
00.11	Price support assessments			
10.00	Total obligations		-3,189	
F	inancing:			
21.40	Unobligated balance available, start of year			-3.189
24.40	Unobligated balance available, end of year		3,189	3,189
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-3,189	
72.40	Obligated balance, start of year			<b>—207</b>
74.40	Obligated balance, end of year		207	
90.00	Outlays		-2,982	207

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# MILK MARKET ORDERS ASSESSMENT FUND

Identificati	ion code 12-8412-0-8-351	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Administration	28,321	29,836	29,836
00.02	Marketing service	4,240	5,274	5,274
10.00	Total obligations	32,561	35,110	35,110
F	inancing:			
	Offsetting collections from: Non-Federal			
	sources:			
14.00	Administration	-28,428	-27,566	-27,566
14.00	Marketing service	<b>-4,993</b>	-5,171	-5,171
14.00	Interest	-2,272	-2,373	-2,373
21.98	Unobligated balance available, start of	·	·	·
	year: Fund balance	-20,900	<b>— 24,032</b>	-24,032

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# MILK MARKET ORDERS ASSESSMENT FUND-Continued

#### Program and Financing (in thousands of dollars)—Continued

Identificat	tion code 12-8412-0-8-351	1985 actual	1986 est.	1987 est.
24.98	Unobligated balance available, end of year: Fund balance	24,032	24,032	24,032
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	-3,132		
72.10	Receivables in excess of obligations, start			
	of year		-1,432	-1,932
72.98	Obligated balance, start of year: Fund bal-			
	ance	2,290		
74.10	Receivables in excess of obligations, end of	1 420	1.020	
74.00	year	1,432	1,932	
74.98	Obligated balance, end of year: Fund bal-			1 022
	ance		***************************************	1,932
90.00	Outlays	590	500	

Note.—The administration fund totals are comprised of 44 separate independent order accounts in 1985. The Marketing Service fund totals are comprised of 35 separate independent order accounts in 1985.

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

ſłn	thousands	of	dollars1

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority			
Outlays	590	500	
Reduction pursuant to P.L. 99–177:			
Budget authority			
Outlays		1,445	
Total:			
Budget authority			
Outlays	590	<b></b> 945	

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

The expenses of each local office are met from an administrative fund and a marketing service fund which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order provides for the expense of disseminating market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling, and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time to time upon recommendations by the market administrator and upon approval of the Agricultural Marketing Service to provide reserves at about a 6-month operat-

ing level. Upon termination of any order, the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers as the case may be.

As of March 31, 1985, as required by title I of the Dairy and Tobacco Adjustment Act, market administrators collected over \$381 million by charging 50 cents per hundredweight on all milk produced in the forty-eight contiguous States and marketed by producers for commercial use. These funds were used to partially offset the costs of the dairy price support paid diversion program.

Milk sold by regulated handlers supplied almost 171 million persons in calendar year 1984.

# Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Operating income or loss ( — ):			
Administrative fund:			
Revenue	28,428	27,566	27,566
Expense	28,321	29,836	29,836
Net operating income or loss (-), ad-			
ministrative fund	107	-2,270	-2,270
Marketing service fund:			
Revenue	4.993	5.171	5.171
Expense	4,240	5,274	5,274
Net operating income or loss (—), mar-			
keting service fund	753	103	-103
Net operating income or loss $(-)$ , total	860	-2,373	-2,373
Nonoperating income:			
Interest revenue	2,272	2.373	2.373
IIItorest revellee		2,373	2,575
Net income for the year	3,132		

# Financial Condition (in thousands of dollars)

	1984 actual	1985 actual	1986 est.	1987 est.
Assets:				
Selected assets:				
Cash in banks	18,350	18,900	18,900	18,900
U.S. securities (par value)	4,840	3,700	3,200	3,200
Accounts receivable, net	206	4,132	4,632	4,632
Total assets	23,396	26,732	26,732	26,732
Liabilities:  Selected liabilities:  Accounts payable and accrued li-				
abilities	2,497	2,700	2,700	2,700
Government equity: Selected equities: Unobligated balance (total Gov-				
ernment equity)	20,900	24,032	24,032	24,032
Analysis of changes in Government e Retained income:	quity:			
Opening balance		20,900	24.032	24.032
Net income or loss (—)		3,132		
Total Government equity (end of	f vear)	24.032	24,032	24,032

# Object Classification (in thousands of dollars)

Identifica	ation code 12-8412-0-8-351	1985 actual	1986 est.	1987 est.	
	Personnel compensation:				
11.1	Full-time permanent	22,114	23,447	23,447	
11.3	Other than full-time permanent	130	136	136	

11.5	Other personnel compensation	15	15	15
11.9	Total personnel compensation	22,259	23,598	23,598
12.1	Personnel benefits: Civilian	2,614	3,047	3,047
21.0	Travel and transportation of persons	2,082	2.175	2,175
23.2	Rental payments to others	1,732	2.032	2,032
23.3	Communications, utilities, and miscellane-	,	-,	-,
	ous charges	1,517	1.781	1,781
25.0	Other services	236	261	261
26.0	Supplies and materials	847	885	885
31.0	Equipment	1,274	1,331	1,331
99.9	Total obligations	32,561	35,110	35,110
	Personnel Summ	ary 1		
	umber of full-time permanent positions	638	635	635
	loyment	623	635	635

<sup>&</sup>lt;sup>1</sup> Excludes New York-New Jersey order operated under Federal and State orders.

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identificat	tion code 12-8412-6-8-351	1985 actual	1986 est.	1987 est.
00.01 00.02	Program by activities: Administration		-1,228 -217	
10.00	Total obligations		-1,445	
25.00 F	inancing: Unobligated balance lapsing		1,445	
39.00	Budget authority			
71.00	elation of obligations to outlays: Obligations incurred, net		-1,445	
90.00	Outlays		-1,445	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# OFFICE OF TRANSPORTATION

# Federal Funds

#### General and special funds:

#### OFFICE OF TRANSPORTATION

For necessary expenses to carry on services related to agricultural transportation programs as authorized by law \$1,233,000; including employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$20,000 for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building. (7 U.S.C. 1291, 1621–27; 49 U.S.C. 1653.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# Program and Financing (in thousands of dollars)

Identificat	ion code 12-2800-0-1-352	1985 actual	1986 est.	1987 est.
00.01 01.01	Program by activities: Direct programReimbursable program	2,674 9	2,451 20	1,233
10.00	Total obligations	2,683	2,471	1,233

F	inancing:			
11.00 25.00	Offsetting collections from: Federal funds Unobligated balance lapsing	9 169	<b>—20</b>	
39.00	Budget authority	2,843	2,451	1,233
В	udget authority:			
40.00	Appropriation	2,542	2,466	1,233
40.00	Reduction pursuant to P.L. 99-190		-15	
42.00	Transferred from other accounts	301		
43.00	Appropriation (adjusted)	2,843	2,451	1,233
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	2,674	2,451	1,233
72.40	Obligated balance, start of year	296	445	445
74.40	Obligated balance, end of year	<b>— 445</b>	<b>— 445</b>	<b>—445</b>
77.00	Adjustments in expired accounts	23		
90.00	Outlays	2,548	2,451	1,233

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In Ihousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	2.843	2.451	1.233
Outlays	2.548	2,451	1.233
Reduction pursuant to P.L. 99–177:	2,040	2,401	1,200
		<b>—105</b>	
Budget authority			
Outlays		<b> 86</b>	—19
Total:			
	0.040	0.046	1 000
Budget authority		2,346	1,233
Outlays	2,548	2,365	1,214

The principal purpose of the Office of Transportation is to facilitate an efficient domestic and international transportation system for U.S. agricultural products. This is done by providing assistance to exporters and firms by helping to solve international transportation problems relating to agriculture; assisting agricultural shippers and carriers in the new deregulation environment; and providing technical assistance to producers, producer groups, and rural communities to help them solve specific transport problems. This program is proposed for termination at the end of fiscal year 1987.

# Object Classification (in thousands of dollars)

Identifica	ation code 12-2800-0-1-352	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	1,682	1,813	895
11.5	Other personnel compensation	28		
11.9	Total personnel compensation	1,710	1,813	898
12.1	Personnel benefits: Civilian	177	188	93
21.0	Travel and transportation of persons	86	46	20
23.3	Communications, utilities, and miscella-			
	neous charges	73	75	6
24.0	Printing and reproduction	45	40	20
25.0	Other services	479	260	130
26.0	Supplies and materials	58	17	10
31.0	Equipment	45	12	
99.0	Subtotal, direct obligations	2,674	2,451	1,23
99.0	Reimbursable obligations	9	20	
99.9	Total obligations	2,683	2,471	1,23
	Personnel Sum	mary		
	number of full-time permanent positions compensable workyears: Full-time equivalent	51	49	1
	ployment	46	49	2

11.3 11.5 11.9 12.1 13.0 21.0 22.0 23.2 23.3

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#### General and special funds-Continued

OFFICE OF TRANSPORTATION-Continued

#### Reduction Pursuant to Public Law 99-177

# Program and Financing (in thousands of dollars)

Identification code 12-2800-6-1-352		1986 est.	1987 est.
am by activities:		-105	
ring: Iget authority (appropriation)		<b>—105</b>	
n of obligations to outlays:			
		-105	
gated balance, start of year			19
gated balance, end of year		19	
Outlays		-86	-19
	am by activities: al obligations	am by activities: al obligations ing: lget authority (appropriation)	am by activities:  al obligations

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# FOOD SAFETY AND INSPECTION SERVICE

#### Federal Funds

General and special funds:

#### SALARIES AND EXPENSES

For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, as amended, and the Poultry Products Inspection Act, as amended, \$365,841,000; Provided, That this appropriation shall be available for employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during any fiscal year shall not exceed 10 per centum of the current replacement value of the building. (5 U.S.C. 5341, 5542, 5901; 7 U.S.C. 1901-06: 10 U.S.C. 2306; 18 U.S.C. 1114; 19 U.S.C. 1306; 21 U.S.C. 451-469, 601-624, 641-645, 661, 671-680, 692-695; 31 U.S.C. 725a; 46 U.S.C. 466a-466b.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identification code 12-3700-0-1-554		1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Direct program	364,449	362,079	365,841
01.01	Reimbursable program	39,853	40,000	40,000
10.00	Total obligations	404,302	402,079	405,841
F	inancing: Offsetting collections from:			
11.00	Federal funds	-900	-900	-900
14.00	Non-Federal sources	-38,953	-39,100	-39,100
17.00	Recovery of prior year obligations	-1.211		
21.40	Unobligated balance available, start of year		-110	-110
24.40	Unobligated balance available, end of year	110	110	110
25.00	Unobligated balance lapsing	1,288	•••••	
39.00	Budget authority	364,635	362,079	365,841
В	udget authority:			
40.00	Appropriation	364,635	364,265	365,841
40.00	Reduction pursuant to P.L. 99-190		-2,186	
43.00	Appropriation (adjusted)	364,635	362,079	365,841
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	364,449	362,079	365,841

72.40 74.40 78.00	Obligated balance, start of yearObligated balance, end of yearAdjustments in unexpired accounts	19,710 23,907 1,211	23,907 — 23,907	23,907 — 23,907
90.00	Outlays	359,040	362,079	365,841

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	364.635	362.079	365.841
Outlays	359.040	362,079	365.841
Reduction pursuant to P.L. 99–177:	000,040	302,073	505,041
Budget authority		-15.569	
		-16.223	1.007
Outlays		-10,223	-1,027
Proposed for later transmittal under proposed legis-			
lation:			
Budget authority			-365,841
Outlays			-365,841
Total			
Total:			
Budget authority	364,635	346,510	
Outlays	359,040	345,856	-1,027
	===		

The major objectives of the Food Safety and Inspection Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act.

The Meat and Poultry Inspection program of the Food Safety and Inspection Service provides continuous inplant inspection of all domestic plants preparing meat or poultry products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs.

Legislative changes which will permit collection of user fees to fund FSIS programs and provide for more efficient inspection are included in the 1987 FSIS budget proposal to allow recovery of full program costs.

### FEDERALLY FUNDED INSPECTION ACTIVITIES

Enderally inspected establishments	10051 -1	1000 11 1	
Federally inspected establishments:	1985 actual	1986 estimate	1987 estimate
Slaughter plants	466	460	455
Processing plants	5,005		
Combination slaughter and processing plants	1,463		1,460
Import establishments	176	176	176
Federally inspected production (millions of pounds):			
Meat slaughter	36,193	36,500	36,900
Meat processing	66,467	67,000	67,500
Poultry slaughter	22,980	23,500	24,200
Poultry processing	53,100	55,700	57,000
Import/export activity (millions of pounds):	,		.,,
Meat and poultry imported	2,370	2,400	2,400
Meat and poultry exported	1,896	1,900	2,400
Imports refused entry	22	22	22
States and territories with cooperative agreements:	22	22	22
	27	27	27
Intrastate inspection	20	20	
Talmadge-Aiken inspection	20	20	20
Number of slaughter and/or processing plants	0.000	0.000	0.000
(excludes exempt plants)	3,833	3,800	3,800
Pounds inspected slaughter and processing (mil-			
lions)	3,554	3,600	3,600
Compliance activities:			
Hazardous product detained (millions of pounds)	9	8	8
Compliance reviews	51,957	52,000	52,000
Detention actions	1,209	1,100	1,100
Laboratory services (samples analyzed):	-,	,	,
Food chemistry	93,249	83,900	79,300
Food microbiology	14,460	13,000	11,700
Chemical residues	34,539	31,100	28,000
Onomiour Tooluuco	J4,JJJ	31,100	20,000

	tibiotic residuesthology samples	105,981 9,972	45,000 9,000	40,500 8,100	SALARIES AND EXPI		11-1-41	. \
	Object Classification (in the	ousands of do	llars)		(Proposed for later transmittal, program and Financing (in thou			1)
Identifi	cation code 12-3700-0-1-554	1985 actual	1986 est.	1987 est.		.985 actual	1986 est.	1987 esi.
11.1	Direct obligations: Personnel compensation: Full-time permanent	220 222	220 501	227 451	Program by activities: 10.00 Total obligations			<b>—2,000</b>
11.3 11.5	Other than full-time permanent Other personnel compensation	228,232 10,575 6,755	228,591 8,660 7,136	227,451 8,660 7,136	Financing: 14.00 Offsetting collections from: Non-Federal sources	······		-363,841
11.9	Total personnel compensation	245,562	244,387	243,247	40.00 Budget authority (appropriation)			<b>— 365,841</b>
12.1 13.0	Personnel benefits: Civilian Benefits for former personnel	36,526 918	37,686 918	38,197 956	Relation of obligations to outlays:			
21.0	Travel and transportation of persons	18,313	17,741	19,468	71.00 Obligations incurred, net	•••••		<u>- 365,841</u>
22.0	Transportation of things	1,008	971	1,011	90.00 Outlays			<b>— 365,841</b>
23.2	Rental payments to others Communications, utilities, and miscella-	127	127	132				Ot.
23.3	neous charges	5,695	6,695	6,969	These schedules reflect propose			
24.0	Printing and reproduction	1,540	1,472	1,532	this activity on a user fee basis efficient meat and poultry process			e more
25.0 26.0	Other services	15,340 2,798	13,385 1,853	13,905 1,929				
31.0	Equipment	3,458	1,918	1,923	Object Classification (in thous	ands of doll	lars)	
41.0	Grants, subsidies, and contributions	33,093	34,856	36,425	Identification code 12-3700-2-1-554	1985 actual	1986 est.	1987 est.
42.0 43.0	Insurance claims and indemnities Interest and dividends	70 1	70	73	11.1 Personnel compensation: Full-time perma-			
					nent			-1,665
99.0	Subtotal, direct obligations Reimbursable obligations	364,449 39,853	362,079 40,000	365,841	12.1 Personnel benefits: Civilian			
99.0				40,000	99.9 Total obligations	•••••		-2,000
99.9	Total obligations	404,302	402,079	405,841	Personnel Summa	iry		
	Personnel Sumi	mary			Total number of full-time permanent positions			-81
	tal number of full-time permanent positions	9,644	9,644	9,587	employment		***************************************	
10	tal compensable workyears:					•		
	Full-time equivalent employment	9,529	9,404	9,347				
	Full-time equivalent employment	,	,	,	Trust Funds			**
Doim	Full-time equivalent of overtime and holiday hours	9,529	9,404	9,347	Trust Funds  Expenses and Refunds, Inspection  Products		ADING OF	Farm
To	Full-time equivalent of overtime and holiday	85	,	,	Expenses and Refunds, Inspection	and Gr		Farm
To	Full-time equivalent of overtime and holiday hours  pursable: tal number of full-time permanent positions tal compensable workyears: Full-time equivalent employment	85	84	84	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the second	and Gr		FARM
To	Full-time equivalent of overtime and holiday hours  pursable: tal number of full-time permanent positions tal compensable workyears:	85 171	======================================	171	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in the	AND GR	dollars)	
To	Full-time equivalent of overtime and holiday hours  bursable:  tal number of full-time permanent positions tal compensable workyears: Full-time equivalent employment Full-time equivalent of overtime and holiday hours	85 171 169 864	171 169 839	171 169	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the second	and Grausands of d	1986 est. 825	1987 est. 825
To	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b>	84 171 169 839 99–177	171 169	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the second	AND GR usands of d 1985 actual 786 -226	1986 est. 825 —125	1987 est.  825 —125
To	Full-time equivalent of overtime and holiday hours  bursable:  tal number of full-time permanent positions tal compensable workyears: Full-time equivalent employment Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b>	84 171 169 839 99–177	171 169	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the second	and Grausands of d	1986 est. 825	1987 est. 825
To	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b>	84 171 169 839 99–177	171 169	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the financing of the financing of the financing of the financing of the financing:  21.40 Unobligated balance available, start of year 24.40 Unobligated balance available, end of year.  60.00 Budget authority (appropriation) (permanent, indefinite)	AND GR usands of d 1985 actual 786 -226	1986 est. 825 —125	1987 est.  825 —125
To	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> thousands of (1985 actual)	84 171 169 839 99–177 dollars) 1986 est.	84 171 169 839	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the control of the c	AND GR usands of d 1985 actual 786 -226 125	1986 est.  825  — 125 125 825	1987 est.  825  —125 125  825
To	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> thousands of (1985 actual)	84 171 169 839 99–177 dollars)	171 169 839	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the control of the c	AND GR usands of d 1985 actual 786 -226 125	1986 est.  825  — 125  _ 125	1987 est.  825  -125  125
To	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> thousands of (1985 actual)	84 171 169 839 99–177 dollars) 1986 est.	84 171 169 839	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the control of the c	AND GR usands of d 1985 actual 786 -226 125 686	1986 est.  825  — 125  125  825	1987 est.  825  -125 125  825
Identifi	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> thousands of o	84 171 169 839 99–177 dollars) 1986 est.	84 171 169 839	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the control of the c	786 -226 125 -686	1986 est.  825	1987 est.  825  -125 125  825  825 76
Identifi	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> thousands of o	99–177 dollars) 1986 est. —17,250	84 171 169 839	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the control of the c	786 -226 125 -686 -76 -76 -76	1986 est.  825	1987 est.  825  —125 125  825  825  76 —76
Identifit 10.00	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> thousands of o	### 84   171   169   839   99-177   dollars   1986 est.   -17,250   1,681	84 171 169 839	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the control of the c	786 -226 125 686 786 -76 866	1986 est.  825	1987 est.  825  —125 125  825  825  76 —76
Identifi 10.00 25.00 40.0	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> thousands of o	84 171 169 839 99–177 dollars) 1986 est17,250 1,681 -15,569 -17,250	84 171 169 839	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the control of the c	786 -226 125 686 786 -76 866	1986 est.  825	1987 est.  825  —125 125  825  825  76 —76
Identifi 10.00 25.00 40.0 71.0 72.4	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> thousands of o	84 171 169 839 99–177 dollars) 1986 est	84 171 169 839 1987 esi	EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thousands of dollars and program by activities:  10.00 Total obligations	AND GR  usands of d  1985 actual  786  -226 125  686  786 156 -76 866  ITY AND (68)  1985 actual 686	1986 est.  825  - 125 125  825  - 76 - 76 825  DUTLAYS  1986 estimate 825	1987 est.  825  —125 125  825  76 —76  825
Identifi 10.00 25.0 40.0 71.0 72.4 74.4	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> (housands of o	84 171 169 839 99–177 dollars) 1986 est. —17,250  1,681 —15,569 —17,250		EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the control of the c	786 -226 125 -686 -76 -866 -174	1986 est.  825	825 -125 125 825 -825 -76 -76 825
Identifi 10.00 25.00 40.0 71.0 72.4	Full-time equivalent of overtime and holiday hours	85 171 169 864 <b>ublic Law</b> (housands of o	84 171 169 839 99–177 dollars) 1986 est	84 171 169 839 1987 esi	Program and Financing (in thouse the control of the	786 -226 125 -686 -76 -866 -76 -866 -76 -866 -76 -866 -76 -866 -76 -76 -76 -76 -76 -76 -76 -76 -76 -	1986 est.  825  -125 125  825  825  76 -76  825  DUTLAYS  1986 estimate 825 825	825 -125 -125 -125 -125 -125 -125 -125 -1
Ideniifi 10.00 25.00 40.0 71.0 72.4 74.4 90.0	Full-time equivalent of overtime and holiday hours	85 171 169 864  ublic Law thousands of (1985 actual)	84 171 169 839 99–177 dollars) 1986 est17,250 1,681 -15,569 -17,250 1,027 -16,223		EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the content of the c	786	1986 est.  825  - 125 125  825  - 76 - 76 825  DUTLAYS  1986 estimate 825	1987 est.  825  —125 125  825  76 —76  825
Ideniifi 10.00 25.00 40.0 71.0 72.4 74.4 90.0	Full-time equivalent of overtime and holiday hours	85 171 169 864 ublic Law thousands of control 1985 actual	84  171 169 839  99–177 dollars) 1986 est.  —17,250  1,681 —15,569  —17,250  1,027 —16,223		Program and Financing (in thouse the control of the	786 -226 125 -686 -76 -866 -76 -866 -76 -866 -76 -866 -76 -866 -76 -866 -76 -76 -76 -76 -76 -76 -76 -76 -76 -	1986 est.  825  -125 125  825  825  76 -76 825  DUTLAYS  1986 estimate 825 825	1987 est.  825 -125 125  825 76 -76 825  1987 estimate 825 825 -76 -76
Ideniifi 10.00 25.00 40.0 71.0 72.4 74.4 90.0	Full-time equivalent of overtime and holiday hours	85 171 169 864 ublic Law thousands of control 1985 actual	84  171 169 839  99–177 dollars) 1986 est.  —17,250  1,681 —15,569  —17,250  1,027 —16,223		EXPENSES AND REFUNDS, INSPECTION PRODUCTS  Program and Financing (in thouse the content of the c	786 -226 125 -686 -76 -866 -76 -866 -76 -866 -76 -866 -76 -866 -76 -76 -76 -76 -76 -76 -76 -76 -76 -	1986 est.  825  -125 125  825  825  76 -76  825  DUTLAYS  1986 estimate 825 825	825 -125 -125 -125 -125 -125 -125 -125 -1
Ideniifi 10.00 25.00 40.0 71.0 72.4 74.4 90.0	Full-time equivalent of overtime and holiday hours	85 171 169 864 ublic Law thousands of control 1985 actual	84  171 169 839  99–177 dollars) 1986 est.  —17,250  1,681 —15,569  —17,250  1,027 —16,223		Program and Financing (in thouse the control of the	786 -226 125 -686 -76 -866 -76 -866 -76 -866 -76 -866 -76 -866 -76 -76 -76 -76 -76 -76 -76 -76 -76 -	1986 est.  825  -125 125  825  825  76 -76  825  DUTLAYS  1986 estimate 825 825  -33  825	825 -125 -125 -125

# EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS—Continued

Under authority of the Agricultural Marketing Act of 1946, Federal meat and poultry inspection services are provided upon request and for a fee in cases where inspection is not mandated by statute. This service includes: certifying products for export beyond the requirements of export certificates; inspecting certain animals and poultry intended for human food, where inspection is not required by statute, such as buffalo, rabbit, and quail; and inspecting products intended for animal consumption.

#### Object Classification (in thousands of dollars)

tdentifica	ation code 12-8137-0-7-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	517	543	543
11.3	Other than full-time permanent	15	16	16
11.5	Other personnel compensation	103	108	108
11.9	Total personnel compensation	635	667	667
12.1	Personnel benefits: Civilian	82	86	86
13.0	Benefits for former personnel	2	2	2
21.0	Travel and transportation of persons	7	7	7
23.2	Rental payments to others	9	9	9
23.3	Communications, utilities, and miscellane-			
	ous charges	9	10	10
24.0	Printing and reproduction	1	1	1
25.0	Other services	39	41	4]
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	1	1
99.9	Total obligations	786	825	825
	Personnel Sum	mary		
	number of full-time permanent positions	24	24	24
Full	-time equivalent employment	21	27	27
	-time equivalent of overtime and holiday	4	2	;

# Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-8137-6-7-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations		-35	
F	inancing:			
21.40	Unobligated balance available, start of year			-35
24.40	Unobligated balance available, end of year		35	35
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-35	***************************************
72.40	Obligated balance, start of year		***************************************	-2
74.40	Obligated balance, end of year		2	
90.00	Outlays		-33	-2

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation as follows: Office of International Cooperation and Development, "Salaries and Expenses."

#### FOOD AND NUTRITION SERVICE

#### Federal Funds

General and special funds:

# FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the Domestic Food Programs funded under this Act, \$86,100,000; of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 shall be available for employment under 5 U.S.C. 3109.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identifical	ion code 12-3508-0-1-605	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Child nutrition	27,247	26,521	27,847
00.02	Special milk	157	152	15
00.03	Special supplemental food (WIC)	6.896	6,712	7.048
00.04	Food stamp	48,190	46,902	49,24
00.05	Food donations	1,766	1,720	1,80
00.91	Total direct program	84,256	82,007	86,100
01.01	Reimbursable program	206	193	189
10.00	Total obligations	84,462	82,200	86,28
F	inancing:			
11.00	Offsetting collections from: Federal funds	- 206	<b>— 193</b>	-18
21.40	Unobligated balance available, start of year	<b>— 144</b>		
25.00	Unobligated balance lapsing	75		
39.00	Budget authority	84,187	82,007	86,100
B	udget authority:			
40.00	Appropriation	84,187	82,502	86,100
40.00	Reduction pursuant to P.L. 99–190		<b>- 495</b>	
42.00	·	04.107	02.007	00.100
43.00	Appropriation (adjusted)	84,187	82,007	86,100
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	84,256	82,007	86,10
72.40	Obligated balance, start of year	7,610	7,257	6,56
74.40	Obligated balance, end of year	<b>—7,257</b>	-6,560	-6,91
77.00	Adjustments in expired accounts	1,371		
90.00	Outlays	83,238	82,704	85,750

SUMMARY OF BUDGET AUTHO	RITY AND	OUTLAYS	
[in thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:	04107	22.227	00.100
Budget authority	84,187	82,007	86,100
Outlays	83,238	82,704	85,750
Reduction pursuant to P.L. 99-177:		,	
Budget authority		-3,526	
Outlays		-3,244	282
Total:			
Budget authority	84.187	78.481	86.100
Outlays	83,238	79,460	85,468

Food program administration provides for the Federal operating expenses of the Food and Nutrition Service related to the administration of the child nutrition. special milk, special supplemental food (WIC), food stamp, and food donations programs.

Object Classification (in thousands of dollars)

Direct obligations: Personnel compensation: Full-time permanent			
Full time permanent			
run-time permanent	60,851	59,275	58,873
Other than full-time permanent	1,545	1,505	1,505
Other personnel compensation	473	464	144
Total personnel compensation	62,869	61,244	60,522
Personnel benefits: Civilian	7,645	7,236	7,149
Benefits for former personnel	103	97	97
Travel and transportation of persons	3,166	3,286	3,255
Transportation of things	91	80	79
Rental payments to others	258	261	261
Communications, utilities, and miscella-			
neous charges	4,304	4,337	4,293
Printing and reproduction	375	410	406
Other services	3,563	4,042	5,856
Supplies and materials	868	695	738
Equipment	1,001	319	3,444
	10		***************************************
Interest and dividends	3		
Subtotal, direct obligations	84,256	82,007	86,100
Reimbursable obligations	206	193	189
Total obligations	84,462	82,200	86,289
Personnel Summ	nary		
	2,167	2,082	2,078
time equivalent employment	2,185	2,102	2,091
	1	5	
	Total personnel compensation	Total personnel compensation	Total personnel compensation

Program and Financing (in thousands of dollars)

IdenIificat	ion code 12-3508-6-1-605	1985 actual	1986 esi.	1987 esi.
	rogram by activities: Total obligations		-3,526	
40.00	inancing: Budget authority (appropriation)		-3,526	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-3,526	
72.40	Obligated balance, start of year			282
74.40	Obligated balance, end of year		282	
90.00	Outlays		-3,244	- 282

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### FOOD STAMP PROGRAM

For carrying out the Food Stamp Act (7 U.S.C. 2011-2027, 2029), \$11,518,579,000: Provided, That during the final two quarters of fiscal year 1987 not more than 70 per centum of amounts expended by each State under a plan approved under the Food Stamp Act for anti-fraud activities and the planning, design, development, or installation of automatic data processing systems shall be included in determining the amount payable to a State under section 16: Provided further, That for any State in which the ratio of amounts expended for administration of its Food Stamp plan in fiscal year 1987 to the average

monthly number of its Food Stamp recipients in that year (called "per recipient administrative costs") exceeds 175 per centum of the national median of all such ratios (such ratios being established by the Secretary on the basis of the best data available when the amount payable is determined, with subsequent adjustments made as necessary), not in excess of 25 per centum of any such State's costs in excess of 175 per centum of the national median of such per recipient administrative costs may be included in determining the amount payable under section 16: Provided further, That States shall require applicants for and recipients of food stamps, other than those exempted by section 6(d)(2)of the Food Stamp Act, to engage in no fewer than one of the activities described in section 6(d)(4)(B) of the Act as a condition of receiving assistance: Provided further, That not to exceed \$30,000,000 shall be available for purposes of section 16(h)(1). (Legislative action required).

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-3505-0-1-605	1985 actual	1986 est.	1987 est.
Р	Program by activities:			
00.01	Benefits	10,775,835	10,669,185	10,589,190
00.02	State administration	912,303	967,480	1,036,881
00.03	Other	44,035	58,517	61,647
10.00	Total obligations	11,732,173	11,695,182	11,687,718
F	inancing:			
14.00	Offsetting collections from: Non-Federal			
	sources			169,139
21.40	Unobligated balance available, start of year	<b>—70</b>	***************************************	
25.00	Unobligated balance lapsing	19,424	69,702	
39.00	Budget authority	11,751,527	11,764,884	11,518,579
В	ludget authority:			
40.00	Appropriation	11,768,856	11,891,570	11,518,579
40.00	Reduction pursuant to P.L. 99-190		-71,349	
41.00	Transferred to other accounts	-17,329	-55,337	
43.00	Appropriation (adjusted)	11,751,527	11,764,884	11,518,579
R	relation of obligations to outlays:			
71.00	Obligations incurred, net	11.732,173	11,695,182	11,518,579
72.40	Obligated balance, start of year	209,170	222,587	249,396
74.40	Obligated balance, end of year	-222,587	-249,396	-262,996
77.00	Adjustments in expired accounts	<b>—17,582</b>		
90.00	Outlays	11,701,174	11,668,373	11,504,97

[In thousands of dollars]

actual	1986 estimate	1987 estimate
,751,527	11,764,884	11,518,529
,701,174	11.668.373	11,504,979
	, ,	
	-2,568 .	
	-1,160	
		*
.751.527	11,762,316	11,518,579
,701,174		11,503,571
	751,527 ,701,174	751,527 11,764,884 701,174 11,668,373 

The food stamp program increases the food purchasing power of eligible households. Participants purchase food at retail stores with food stamp coupons.

Benefits.-Participating households receive food stamps whose value is determined by household size and income. This cost is borne entirely by the Federal Government.

State administration.—Certification of eligible households and issuance of correct amount of food stamps. Administrative costs are divided equally between the States and the Federal Government.

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# General and special funds-Continued

#### FOOD STAMP PROGRAM-Continued

Other program costs.—Printing and transporting coupons to authorized State agencies, processing and destruction of redeemed coupons by Federal Reserve banks, and other costs.

Object Classification (in thousands of dollars)

Identifica	ation code 12-3505-0-1-605	1985 actual	1986 est.	1987 est.
22.0	Transportation of things	2,900	4,910	5,111
24.0	Printing and reproduction	20,217	30,436	31,684
25.0	Other services	20,918	23,171	24,852
41.0	Grants, subsidies, and contributions	11,688,138	11,636,665	11,626,071
99.9	Total obligations	11,732,173	11,695,182	11,687,718

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

tion code 12-3505-6-1-605	1985 actual	1986 est.	1987 est.
Program by activities:		2 568	
· ·		2,000	***************************************
		<b>-2,568</b>	
relation of obligations to outlays:			
		-2,568	
Obligated balance, start of year			<b>—1,408</b>
Obligated balance, end of year		1,408	
Outlays		-1,160	-1,408
	rogram by activities: Total obligations	rogram by activities: Total obligations	rogram by activities: Total obligations

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

#### NUTRITION ASSISTANCE FOR PUERTO RICO

For monthly payments to the Commonwealth of Puerto Rico for nutrition assistance as authorized by 7 U.S.C. 2028, \$825,000,000.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3550-0-1-605	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations (object class 41.0)	825,000	820,050	825,000
F	inancing:			
39.00	Budget authority	825,000	820,050	825,000
В	udget authority:			
40.00	Appropriation	825,000	825,000	825,000
40.00	Reduction pursuant to P.L. 99–190		<b>-4,950</b>	
43.00	Appropriation (adjusted)	825,000	820,050	825,000
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	825,000	820,050	825,000
72.40	Obligated balance, start of year	21,611	22,047	21,731
74.40	Obligated balance, end of year	— 22,047	21,731	21,731
90.00	Outlays	824,564	820,366	825,000

As a result of the Omnibus Budget Reconciliation Act of 1981, a grant for nutrition assistance was instituted in Puerto Rico beginning July 1, 1982. This grant replaced the food stamp program in Puerto Rico, and provides the Commonwealth with broad flexibility to

establish a food assistance program that is specifically tailored to the needs of its low-income households.

#### SPECIAL MILK PROGRAM

For necessary expenses, from funds appropriated to carry out the special milk program, as authorized by section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), but not obligated at the beginning of fiscal year 1987, only final reimbursement claims for milk submitted to State agencies within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary: Provided further, That funds available under this heading shall not be available for program costs incurred by the Marshall Islands and the Federated States of Micronesia: Provided further, That funds available under this heading shall not be available for payment of program costs incurred by schools and institutions in States that choose not to administer the program for those schools and institutions, but whose current laws do not prohibit such States from doing so, and instead shall be distributed by the Department through private sector contracts: Provided further, That funds available under this heading shall not be available to reimburse claims for milk served to individuals from households with incomes exceeding 130 percent of the poverty level.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3502-0-1-605	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations (object class 41.0)	15,508	13,076	1,393
F	inancing:			
21.40	Unobligated balance, available, start of			
	year	-4,383	<b> 6,475</b>	- 4,899
24.40	Unobligated balance available, end of year	6,475	4,899	
25.00	Unobligated balance lapsing			3,506
40.00	Budget authority (appropriation)	17,600	11,500	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	15,508	13,076	1,393
72.40	Obligated balance, start of year	4,544	3,991	3,177
74.40	Obligated balance, end of year	-3.991	-3.177	_338
77.00	Adjustments in expired accounts	-69		
90.00	Outlays	15,993	13,890	4,232

The program subsidizes milk consumed by children in schools and institutions that do not participate in other federally funded meal programs. It is proposed to discontinue the subsidy for milk served to non-needy students.

### CHILD NUTRITION PROGRAMS

#### (INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–1769b, except 1766(i)), and the applicable provisions other than sections 3, 17, 18, and 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1773–1785, and 1789); \$3,458,336,000, to remain available through September 30, 1988, of which \$230,413,000 is hereby appropriated and \$3,227,923,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c). Provided, That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966 shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of

programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: Provided further, That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act or the Child Nutrition Act of 1966 (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient. and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966 and under section 13(k)(1) of the National School Lunch Act; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: Provided further, That only final reimbursement claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, institutions, and service institutions within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act for meals, supplements, and milk served during any month only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary: Provided further, That funds available under this heading shall not be available for program costs incurred by the Marshall Islands and the Federated States of Micronesia: Provided further, That funds available under this heading shall not be available for payment of program costs incurred by schools and institutions in States that choose not to administer the program for those schools and institutions, but whose current laws do not prohibit such States from doing so, and instead shall be distributed by the Department through private sector contracts: Provided further, That funds available under this heading to finance meals served pursuant to sections 4, 6, 11, and 17 of the National School Lunch Act and section 4 of the Child Nutrition Act of 1966 shall not be available to reimburse claims for meals served to individuals from households with incomes exceeding 185 percent of the poverty level: Provided further, That funds available under this heading shall be available for payment of reimbursement claims for meals served during the last quarter of fiscal year 1986 under the above terms and conditions, except that meals served pursuant to section 17 of the National School Lunch Act in the last quarter of fiscal year 1986 shall not be subject to the above terms and conditions: Provided further, That funds available under this heading shall be available only to reimburse claims for meals and supplements served pursuant to section 13 of the National School Lunch Act at rates which do not exceed: for lunches-the value of assistance prescribed in sections 4(b)(2), 6(e), and 11(a)(2) of such Act, as of July 1, 1987; for supplements—the rate prescribed in section 17(c)(3) of such Act, as of July 1, 1987; and for breakfasts—the rate prescribed in section 4(b)(1)(B) of the Child Nutrition Act of 1966, as of July 1, 1987: Provided further, That funds available under this heading for State administrative expenses, together with funds obligated for such purpose in fiscal year 1986 at the Federal level but which remain unobligated by the States at the beginning of fiscal year 1987, shall be deemed to meet the funding level pursuant to section 7 of the Child Nutrition Act of 1966. (Legislative action required.)

Note.—A regular 1986 appropriation for this account had not been enaced at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Program and Financing (in thousands of dollars)

Identification code 12-3539-0-1-605	1985 actual	1986 est.	1987 est.
Program by activities:			
Cash payments to States:			
00.01 School lunch (Sec. 4)	532,085	430,440	27,755
00.02 Special meal assistance (Sec. 11)	2,127,625	2,210,260	2,372,788
00.03 School breakfast	406,995	409,898	414,107
00.04 State administrative expenses	46,880	48,904	31,655
00.05 Summer feeding	115,100	121,925	111,700
00.06 Child care feeding	434,854	483,542	338,056
00.10 Commodity procurement	138,700	160,858	159,805
Nutritional studies and education:			
00.20 Nutrition studies and surveys	2,470	2.364	2,470
00.21 Nutrition education and training	5,000	5,000	
***************************************			

10.00	Total obligations	3,809,709	3,873,191	3,458,336
F	inancing:			
17.00	Recovery of prior year obligations	<b>— 290</b>		
21.40	Unobligated balance available, start of year	-4,739		
39.00	Budget authority	3,804,680	3,873,191	3,458,336
В	udget authority:			
	Current:			
40.00	Appropriation	1,474,861	601,599	230,413
	Permanent:			
62.00	Transferred from other accounts	2,329,819	3,271,592	3,227,923
63.00	Appropriation (adjusted)	2,329,819	3,271,592	3,227,923
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	3,809,709	3,873,191	3,458,336
72.40	Obligated balance, start of year	235,959	380.817	387,319
74.40	Obligated balance, end of year	-380,817	-387,319	- 345,834
78.00	Adjustments in unexpired accounts	<b>—290</b>		
90.00	Outlays	3,664,561	3,866,689	3,499,821

Note.—The appropriation for 1986 includes \$424,066 thousand that became available with the transmittal of this budget.

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
Enacted/requested:	1985 actual	1986 estimate	1987 estimate
Budget authority	3,804,680	3,873,191	3,458,336
Outlays	3,664,561	3,866,689	3,499,821
Reduction pursuant to P.L. 99-177:			
Budget authority	***************************************	— 144	
Outlays		<u>-141</u>	
Total:			
Budget authority	3,804,680	3,873,047	3,458,336
Outlays	3,664,561	3,866,548	3,499,818

The child nutrition programs provide cash and commodity meal subsidies through the school lunch, school breakfast, summer food service and child care food programs. Federal funds are also made available for nutrition studies and State administrative expenses. Proposed legislation will better target nutrition benefits to needy children by discontinuing subsidies to upper income students, while enhancing the use of commodities.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-3539-0-1-605	1985 actual	1986 est.	1987 est.
11.3	Personnel compensation: Other than full-			
	time permanent	440	440	
12.1	Personnel benefits: Civilian	18	18	
21.0	Travel and transportation of persons	122	122	
23.3	Communications, utilities, and miscellane-			
	ous charges	40	40	
25.0	Other services	2,825	2,719	2,470
26.0	Supplies and materials (grants of com-			
	modities to States)	138,700	160,858	159,805
41.0	Grants, subsidies, and contributions	3,667,564	3,708,994	3,296,061
99.9	Total obligations	3,809,709	3,873,191	3,458,336
	Personnel Sum	mary		
	compensable workyears: Full-time equivalent			
em	ployment	15	20	

#### General and special funds-Continued

CHILD NUTRITION PROGRAMS—Continued (INCLUDING TRANSFERS OF FUNDS)—Continued

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3539-6-1-605	1985 actual	1986 est.	1987 est.
P 10.00	rogram by activities: Total obligations		<b>—144</b>	
F 40.00	inancing: Budget authority (appropriation)		144	•••••
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>— 144</b>	
72.40	Obligated balance, start of year			_3
74.40	Obligated balance, end of year		3	
90.00	Outlays		-141	-3

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# Special Supplemental Food Program for Women, Infants, and Children (WIC)

For necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$1,617,000,000 to remain available through September 30, 1988.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3510-0-1-605	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	1,504,232	1,560,360	1,617,000
F	inancing:			
17.00	Recovery of prior year obligations	-4,430		
21.40	Unobligated balance available, start of year	-1,174	372	-220
24.40	Unobligated balance available, end of year	372	220	
25.00	Unobligated balance lapsing	1,000	372	220
39.00	Budget authority	1,500,000	1,560,580	1,617,000
В	Budget authority:			
40.00	Appropriation	1,500,000	1,570,000	1,617,000
40.00	Reduction pursuant to P.L. 99-190		9,420	
43.00	Appropriation (adjusted)	1,500,000	1,560,580	1,617,000
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,504,232	1,560,360	1,617,000
72.40	Obligated balance, start of year	139,780	144,203	123,268
74.40	Obligated balance, end of year	-144,203	-123,268	-127,743
77.00	Adjustments in expired accounts	-644		
78.00	Adjustments in unexpired accounts	-4,430		
90.00	Outlays	1,494,735	1,581,295	1,612,525

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars)		
Enacted/requested:	1985 actual	1986 estimate	1987 estimate
Budget authority	1,500,000	1,560,580	1,617,000
Outlays	1,494,735	1,581,295	1,612,525
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>— 86</b>	

Outlays		<u>-86</u>	
Total:			
Budget authority	1,500,000	1,560,494	1,617,000
Outlays	1,494,735	1,581,209	1,612,525

The special supplemental food program for women, infants and children (WIC) provides grants to States for the provision of nutritious foods to low-income pregnant, post-partum and breastfeeding women, infants and children who are at nutritional risk.

# Object Classification (in thousands of dollars)

Identification	on code 12-3510-0-1-605	1985 actual	1986 est.	1987 est.
25.0	Other services	1,688	2,390	2,000
26.0	Supplies and materials (grants of com- modities to States)	7		
41.0	Grants, subsidies, and contributions	1,502,537	1,557,970	1,615,000
99.9	Total obligations	1,504,232	1,560,360	1,617,000

# Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

tion code 12-3510-6-1-605	1985 actual	1986 est.	1987 est.
Program by activities: Total obligations		<b>-86</b>	
inancing: Budget authority (appropriation)		-86	•••••
elation of obligations to outlays:		96	
Obligations incurred, net	***************************************		
Outlays		<b>—86</b>	
	rogram by activities: Total obligations	rogram by activities: Total obligationsinancing: Budget authority (appropriation)	rogram by activities: Total obligations

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### COMMODITY SUPPLEMENTAL FOOD PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c) (note)), \$38,605,000, which shall be the maximum amount available for fiscal year 1987 and which shall first be allocated to projects serving women, infants and children in the previous fiscal year and then to finance those elderly who participated in the prior fiscal year, to remain available through September 30, 1988: Provided, That of funds provided herein, not to exceed \$5,791,000 may be made available for States carrying out section 5 of the Agriculture and Consumer Protection Act of 1973.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code 12-3512-0-1-605	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	35,093	36,918	38,605
F	inancing:			
17.00	Recovery of prior year obligations	-194		
21.40	Unobligated balance available, start of year	-10,122	-141	
24.40	Unobligated balance available, end of year	141		
39.00	Budget authority	24,918	36,777	38,605
В	udget authority			
40.00	Appropriation	24,918	36,999	38,605
40.00	Reduction pursuant to P.L. 99–190		222	
43.00	Appropriation (adjusted)	24,918	36,777	38,605

R	elation of obligations to outlays:			
71.00	Obligations incurred, net	35,093	36,918	38,605
72.40	Obligated balance, start of year	8,819	888	628
74.40	Obligated balance, end of year	-888	<b>-628</b>	<b>- 656</b>
77.00	Adjustments in expired accounts	333		
78.00	Adjustments in unexpired accounts	194		
90.00	Outlays	43,162	37,178	38,577

The commodity supplemental food program (CSFP) provides commodity packages to low-income pregnant, post-partum and breastfeeding women, infants and children who are at nutritional risk.

### Object Classification (in thousands of dollars)

Identificat	ion code 12-3512-0-1-605	1985 actual	1986 est.	1987 est.
26.0 41.0	Supplies and materials (grants of commodities to States)	28,691 6,402	31,401 5.517	32,814 5,791
99.0	,	35.093		
99.0	Total obligations	33,093	36,918	38,605

#### [FOOD DONATIONS PROGRAM]

CASH AND COMMODITIES FOR SELECTED GROUPS\*

\*See Part II for additional information.

For commodities and necessary administrative expenses under section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612(note)) and section 4(b) of the Food Stamp Act (7 U.S.C. 2013), \$55,300,000; and in addition for cash subsidies and commodities under section 311 of the Older Americans Act of 1965 (42 U.S.C. 303a), \$132,000,000: Provided, That funds available under this heading shall not be available for program costs incurred by the Marshall Islands and the Federated States of Micronesia.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3503-0-1-605	1985 actual 1986 est.		1987 est.
Р	rogram by activities:			
	Commodities and subsidies:			
00.01	Commodities in lieu of food stamps	24,965	40,075	39,505
00.02	Distributing agency administrative costs.	14,619	15,300	15,795
00.03	Elderly feeding	120,800	136,973	132,000
10.00	Total obligations	160,384	192,348	187,300
F	inancing:			
21.40	Unobligated balance available, start of year	-21,556		
25.00	Unobligated balance lapsing	718	1,057	
39.00	Budget authority	139,546	193,405	187,300
R	udget authority:			
40.00	Appropriation	139,546	194,573	187,300
40.00	Reduction pursuant to P.L. 99–190		-1,168	
43.00	Appropriation (adjusted)	139,546	193,405	187,300
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	160.384	192,348	187,300
72.40	Obligated balance, start of year	32,044	25,591	8,421
74.40	Obligated balance, end of year	25,591	<b>—8.421</b>	-16,300
77.00	Adjustments in expired accounts	<b>—</b> 119		
90.00	Outlays	166,718	209,518	179,421

# SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of doll	ars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested: Budget authority Outlays	139,546 166,718	193,405 209,518	187,300 179,421

Reduction pursuant to P.L. 99-177:			
Budget authority		-8,316	
Outlays		-6,856	-1,460
Rescission proposal:			
Budget Authority		5,183	
Outlays		<b></b> 4,697	<b>—486</b>
Takel			
Total:			
Budget authority	139,546	179,906	187,300
Outlays	166,718	197,965	177,475

Commodities and rash subsidies.-

Commodities in lieu of food stamps.—Nutritious commodities for needy persons on Indian reservations and the Island of Palau in the Pacific Trust Territories.

Distributing agency administrative costs.—Payments to assist distributing agencies in meeting the expenses of operating food distribution programs.

Elderly feeding.—Subsidies for meals served to the elderly, regardless of their incomes, under titles III and VI of the Older Americans Act of 1965.

#### Object Classification (in thousands of dollars)

Identifica	tion code 12-3503-0-1-605	1985 actual	1986 est.	1987 est.
26.0	Supplies and materials (grants of commodities to States)	34.589	45.075	40.505
41.0	Grants, subsidies, and contributions	125,795	147,273	146,795
99.9	Total obligations	160,384	192,348	187,300

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-3503-6-1-605	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Total obligations		-8,316	
40.00	udget authority: Appropriation		<b>— 8.316</b>	
40.00	Арргорпации	***************************************	- 0,310	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>— 8,316</b>	
72.40	Obligated balance, start of year			-1,460
74.40	Obligated balance, end of year		1,460	
90.00	Outlays		<b></b> 6,856	-1,460

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# **HUMAN NUTRITION INFORMATION SERVICE**

Federal Funds

General and special funds:

# SALARIES AND EXPENSES

For necessary expenses to enable the Human Nutrition Information Service to perform applied research and demonstrations relating to human nutrition and consumer use and economics of food utilization, \$6,876,00: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225). (Public Law 95-113, Food and Agriculture Act of 1977, as amended; Public Law 97-98, National Agricultural Research, Extension, and Teaching Policy Act of 1977.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

# General and special funds—Continued

# SALARIES AND EXPENSES—Continued

#### Program and Financing (in thousands of dollars)

Identitical	tion code 12-3501-0-1-352	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	6,687	13,481	6,876
F	inancing:			
25.00	Unobligated balance lapsing	846		
39.00	Budget authority	7,533	13,481	6,876
В	Sudget authority:			
40.00	Appropriation	7,533	13,562	6,876
40.00	Reduction pursuant to P.L. 99–190		81	
43.00	Appropriation (adjusted)	7,533	13,481	6,876
R	elations of obligations to outlays:			-
71.00	Obligations incurred, net	6,687	13,481	6,876
72.40	Obligated balance, start of year	5,681	5,076	7,675
74.40	Obligated balance, end of year	<b>— 5,076</b>	<b>—7,675</b>	<b>—7,675</b>
77.00	Adjustments in expired accounts	<u>-110</u>		
90.00	Outlays	7,182	10,882	6,876

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

#### (In thousands of dollars)

[iii thousands of doi	1013]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	7,533	13.481	6.876
0.41	,	,	-,
Outlays	7,182	10,882	6,876
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>— 580</b>	
Outlays		<b> 250</b>	<b>— 330</b>
Total:			
Budget authority	7.533	12.901	6.876
	,	,	-,
Outlays	7,182	10,632	6,546
· ·			

The Human Nutrition Information Service plans and conducts nutritional and dietary intake assessment surveys of the total U.S. population and selected groups; provides consultative assistance and sound guidance material to assist people in selecting adequate diets within different budget limitations: maintains and expands the Nutrient Data Bank and revises sections of Agriculture Handbook No. 8, "Composition of Foods"; responds to many different requests for guidance on practical food-related problems as well as on national and international food programs; and conducts nutrition education research and performs technical clearance of nutrition information for the Department.

The 1987 budget proposes to support the analysis of data collected in prior years for the Nationwide Food Consumption Survey and the Continuing Survey of Food Intakes by Individuals. No further data will be collected for these surveys in 1987.

# Object Classification (in thousands of dollars)

Identifica	tion code 12-3501-0-1-352	1985 actual	1986 est.	1987 est.
F	Personnel compensation:			
11.1	Full-time permanent	2,004	2,420	2,420
11.3	Other than full-time permanent	370	418	418
11.9	Total personnel compensation	2,374	2,838	2,838
12.1	Personnel benefits: Civilian	271	329	329
21.0	Travel and transportation of persons	40	42	50
22.0	Transportation of things	2	4	1
23.3	Communications, utilities, and miscellane-			
	ous charges	175	200	20

24.0 25.0 26.0 31.0 99.9	Printing and reproduction Other services Supplies and materials Equipment Total obligations	32 3,634 56 103 6,687	100 9,363 150 455 13,481	100 3,115 150 90 6,876
	Personnel Summ	ary		
	number of full-time permanent positions compensable workyears: Full-time equivalent	72	83	83
	oloyment	79	95	95

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-3501-6-1-352	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		580	
40.00	inancing: Budget authority		-580	***************************************
	elations of obligations to outlays:		F00	
71.00 72.40	Obligations incurred, net		<b>— 580</b>	33
74.40	Obligated balance, end of year		330	- 330
90.00	Outlays		-250	-33

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# PACKERS AND STOCKYARDS ADMINISTRATION

#### Federal Funds

#### General and special funds:

### PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for administration of the Packers and Stock-yards Act, as authorized by law, \$9,093,000; including employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for employment under 5 U.S.C. 3109. (7 U.S.C. 181-229.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identiticat	ion code 12-2600-0-1-352	1985 actual	1986 est.	1987 est.
	rogram by activities:			
10.00	Total obligations	8,481	9,146	9,093
F	inancing:			
25.00	Unobligated balance lapsing	554		
39.00	Budget authority	9,035	9,146	9,093
В	udget authority:			
40.00	Appropriation	9,035	9,201	9,093
40.00	Reduction pursuant to P.L. 99–190		-55	
43.00	Appropriation (adjusted)	9,035	9,146	9,093
R	relation of obligations to outlays:			
71.00	Obligations incurred, net	8,481	9,146	9,093
72.40	Obligated balance, start of year	1,075	932	932
74.40	Obligated balance, end of year	<b></b> 932	<b>—932</b>	<b>-932</b>
77.00	Adjustments in expired accounts	32		
90.00	Outlays	8,656	9,146	9,093

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	9,035	9,146	9,093
Outlays	8,656	9,146	9,093
Reduction pursuant to P.L. 99-177:			
Budget authority		-393	
Outlays	***************************************	-353	<b> 40</b>
Proposed for later transmittal under proposed legis-			
lation:			
Budget authority			-9.093
Outlays	***************************************		-9.093
Total:			
Budget authority	9,035	8,753	•••••
Outlays	8,656	8,793	-40

The goal of this program is to assure the integrity of the livestock, meat, and poultry markets and the marketplace in order to protect producers against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of meat and poultry, and from restrictions on competition which could unduly affect meat and poultry prices.

For 1987, legislation will be proposed to finance 100 percent of this activity on a user-charge basis.

Object Classification (in the	ousands of do	ollars)	
Identification code 12-2600-0-1-352	1985 actual	1986 est.	1987 est.
Personnel compensation:			
11.1 Full-time permanent	5,948	6,100	5,935
11.3 Other than full-time permanent	23	11	11
11.9 Total personnel compensation	5,971	6.111	5,946
12.1 Personnel benefits: Civilian	758	691	694
13.0 Benefits for former personnel	4	10	10
21.0 Travel and transportation of persons	548	667	671
22.0 Transportation of things	24	20	25
23.2 Rental payments to others	122	187	199
23.3 Communications, utilities, and miscellane-			
ous charges	276	382	452
24.0 Printing and reproduction	49	39	42
25.0 Other services	482	653	652
26.0 Supplies and materials	101	151	157
31.0 Equipment	146	235	245
99.9 Total obligations	8,481	9,146	9,093
Personnel Sum	mary		
Total number of full-time permanent positions  Total compensable workyears: Full-time equivalent	190	185	185
employment	187	185	185
Reduction Pursuant to P			
Program and Financing (in t	housands of	dollars)	
Identification code 12-2600-6-1-352	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Total obligations		- 393	
Financing: 40.00 Budget authority (appropriation)		-393	
Relation of obligations to outlays: 71.00 Obligations incurred, net		-393	

74.40	Obligated balance, end of year	 40	
90.00	Outlays	 <b>—353</b>	<del>- 40</del>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# PACKERS AND STOCKYARDS ADMINISTRATION (Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identificat	tion code 12-2600-2-1-352	1985 actual	1986 est.	1987 est.
P 10.00	rogram by activities: Total obligations			
	inancing:	***************************************	***************************************	***************************************
14.00	Offsetting collections from: Non-Federal			
	sources			
40.00	Budget authority (appropriation)	***************************************		9,093
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			
90.00	Outlays	***************************************	***************************************	-9,093

Legislation will be proposed to finance 100 percent of this activity on a user-charge basis.

# AGRICULTURAL COOPERATIVE SERVICE

#### Federal Funds

General and special funds:

#### SALARIES AND EXPENSES

For the necessary expenses to carry out the Cooperative Marketing Act of July 2, 1926, and for activities relating to the marketing aspects of cooperatives as authorized by the Agricultural Marketing Act of 1946, and for activities with organizations throughout the world concerning the development and operation of agricultural cooperatives, \$3,698,000: Provided, That such funds shall be available for employment pursuant to section 706(a) of the Organic Act of 1944, and not to exceed \$15,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 451-457, 1621-1627, 2225, 3291.)

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

Identificat	ion code $12-3000-0-1-352$	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
10.00	Total obligations	4,551	4,685	3,698
F	inancing:			
25.00	Unobligated balance lapsing	124		
39.00	Budget authority	4,675	4,685	3,698
В	udget authority:			
40.00	Appropriation	4,675	4,713	3,698
40.00	Reduction pursuant to P.L. 99-190			
43.00	Appropriation (adjusted)	4,675	4,685	3,698
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	4,551	4,685	3,698
72.40	Obligated balance, start of year	1,605	1,985	1,985
74.40	Obligated balance, end of year	-1,985	-1,985	-1,985
77.00	Adjustments in expired accounts	152		
90.00	Outlays	4,323	4,685	3,698

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# General and special funds—Continued SALARIES AND EXPENSES—Continued

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	llars]		
Enacted/requested	1985 actual	1986 estimate	1987 estimate
Budget authority	4,675	4,685	3,698
Outlays	4,323	4,685	3,698
Reduction pursuant to P.L. 99–177:			
Budget authority		201	
Outlays		-116	<b>-85</b>
Proposed for later transmittal under proposed legis- lation:			
Budget authority	***************************************		-3,698
Outlays			- 3,698
Total			
Budget authority	4,675	4,484	***************************************
Outlays	4,323	4,569	

The Agricultural Cooperative Service performs research and provides technical assistance and advice to farmer cooperatives.

The agency's research program includes studies of economic, financial, organizational, managerial, legal, social, and policy related issues that affect cooperatives. Data on membership, business volume, and financial condition are collected to detect changes in the structure, operation, and growth trends of cooperatives.

Technical assistance is provided in response to requests from cooperative boards of directors or steering committees. Such assistance includes feasibility analyses, merger and other organizational studies, strategic assessment and planning, and review of operations.

Educational materials are prepared by ACS to promote the knowledge of cooperative principles and practices.

# Object Classification (in thousands of dollars)

l <b>d</b> enlifica	tion code 12-3000-0-1-352	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	2.412	2,469	2,469
11.3	Other than full-time permanent	36	37	37
11.5	Other personnel compensation	37		
11.9	Total personnel compensation	2,485	2,506	2,506
12.1	Personnel benefits: Civilian	276	278	278
21.0	Travel and transportation of persons	143	147	100
23.2	Rental payments to others	2	2	:
23.3	Communications, utilities, and miscellane-			
	ous charges	124	128	128
24.0	Printing and reproduction	127	127	100
25.0	Other services	1,170	1,332	474
26.0	Supplies and materials	64	65	5
31.0	Equipment	161	100	6
99.9	Total obligations	4,551	4,685	3,69
	Personnel Sum	mary		
	number of full-time permanent positions compensable workyears: Full-time equivalent	64	64	6
	ployment	65	64	6
	Reduction Pursuant to P	ublic Law	99-177	
	Program and Financing (in	thousands of	dollars)	
Identific	ation code 12-3000-6-1-352	1985 actual	1986 est.	1987 est.
			-	
	Program by activities:			

	inancing: Budget authority (appropriation)	 <b>-201</b>	
R	elation of obligations to outlays:		
	Obligations incurred, net	 - 201	***************************************
72.40	Obligated balance, start of year	 	<b>—85</b>
74.40	Obligated balance, end of year	 85	
90.00	Outlays	 -116	-85

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

#### SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code 12-3000-2-1-352	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Total obligations		***************************************	
Financing: 14.00 Offsetting collections from: Non-Federal			
sources	***************************************		
40.00 Budget authority (appropriation)	•••••		-3,698
Relation of obligations to outlays:			
71.00 Obligations incurred, net			
90.00 Outlays			-3,698

Legislation will be proposed to finance this program on a user-charge basis.

### FOREST SERVICE

#### Federal Funds

General and special funds:

#### FOREST RESEARCH

For necessary expenses of forest research as authorized by law, [\$126,283,000, of which \$6,840,000 shall remain available until expended for competitive research grants, as authorized by section 5 of Public Law 95-307] \$111,481,000, to remain available until expended. (16 U.S.C. 1601-10, 1641-47; Public Law 95-495; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Identificat	ion code 12-1104-0-1-302	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Fire and atmospheric sciences research	8,074	8,063	7,546
00.02	Forest insect and disease research	20,441	21,093	20,178
00.03	Forest inventory and analysis	16,630	17,049	14,222
00.04	Renewable resources economics re-		,	- ,
	search	4.570	4,566	4,456
00.05	Timber management research	22,984	22,468	21,339
00.06	Watershed management and rehabilita-	,	,	
	tion research	10.979	15,517	14.858
00.07	Wildlife, range and fish habitat research	9.132	9,480	9,291
80.00	Forest recreation research	2.027	2.141	2,077
00.09	Forest products and harvesting research	18,306	18,349	17.514
00.10	0		6,799	17,011
00.10	competitive granto			
00.91	Total direct program	113,143	125,525	111,481
01.01	Reimbursable program	5,256	9,434	8,300
			<del></del>	
10.00	Total obligations	118,399	134,959	119,781

F	inancing: Offsetting collections from:			
11.00	Federal funds	4,979	- 8,938	<b>-7,864</b>
14.00	Non-Federal sources	<b>— 276</b>	<b>— 496</b>	<b>—436</b>
25.00	Unobligated balance lapsing	682		
39.00	Budget authority	113,826	125,525	111,481
В	udget authority:			
40.00	Appropriation	121,666	126,283	111,481
40.00	Reduction pursuant to P.L. 99-190		<del> 758</del>	
41.00	Transferred to other accounts	<b>-7,840</b>		
43.00	Appropriation (adjusted)	113,826	125,525	111,481
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	113,143	125,525	111,481
72.40	Obligated balance, start of year	21,274	21,348	23,894
74.40	Obligated balance, end of year	-21,348	- 23,894	20,922
90.00	Outlays	113,069	122,979	114,453

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dol	lars]		
	1985 Actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	113,826	125,525	111,481
Outlays	113,069	122,979	114,453
Reduction pursuant to P.L. 99-177:		·	
Budget authority		-5.398	
Outlavs		-4.152	-1.267
Total:			
Budget authority	113,826	120,127	111,481
Outlays	113,069	118,827	113,186

Research is conducted and disseminated through eight regional forest experiment stations and the Forest Products Laboratory and includes both in-house and extramural programs.

Fire and atmospheric sciences research.—Research is conducted to develop improved methods to prevent and control wildfires; reduce loss of life, property, and forest resources; reduce wind and weather-related losses; and use fire to achieve forest and range objectives.

Forest insect and disease research.—Research is conducted to provide technology to optimize productivity, value, and land resource usefulness and to protect wood in use and in storage.

Forest inventory and analysis research.—Research is conducted to provide comprehensive, continuing information about forest land resources of the United States.

Renewable resources economics research.—Research is conducted to provide economic methodology and analyses for forest and rangeland activities and for related forest product distributed systems.

Timber management research.—Research is conducted to develop improved silvicultural alternatives and management guidelines to increase the productivity and multiple-use benefits of forest lands, maximize tree growth and quality, and maintain land productivity.

Watershed management and rehabilitation research.-Research is conducted to provide and test methods for protecting, managing, and improving forest and rangeland watersheds and to rehabilitate lands disturbed by mining.

Wildlife, range, and fish habitat research.—Research is conducted to maintain or improve wildlife and fish habitat; increase forage production; improve soil stability and vegetation cover; and integrate wildlife, fish, and livestock with other uses.

Forest recreation research.—Research is conducted to provide land managers with the technology for increasing and improving outdoor recreation experiences; and to develop knowledge to manage urban vegetation to obtain optimum benefits.

Forest products and harvesting research.—Research is conducted to provide technology to harvest and utilize timber more efficiently and in ways that are environmentally acceptable, to improve the performance of wood products, and to expand opportunities for wood products exports.

For 1987, forest research will be reduced by focusing on basic research thus allowing the private sector to concentrate on developmental and applied research. Competitive research grants will be terminated also.

Object Classification (in thousands of dollars)

Identifica	tion code 12-1104-0-1-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	65,011	65,430	62,62
11.3	Other than full-time permanent	5,045	5,076	4,86
11.5	Other personnel compensation	273	288	25
11.9	Total personnel compensation	70,329	70,794	67,74
12.1	Personnel benefits: Civilian	8,988	9,047	8,65
13.0	Benefits for former personnel	186	187	17
21.0	Travel and transportation of persons	3,785	4,411	3,96
22.0	Transportation of things	543	633	56
23.1	Standard level user charges	1,757	1,888	1,58
23.2	Rental payments to others	119	139	12
23.3	Communications, utilities, and miscella-			
	neous charges	4,751	5,537	4,97
24.0	Printing and reproduction	1,016	1,184	1,06
25.0	Other services	12,719	14,824	13,30
26.0	Supplies and materials	3,168	3,692	3,31
31.0	Equipment	5,022	5,853	5,25
32.0	Lands and structures	75	87	7
41.0	Grants, subsidies, and contributions	679	7,242	67
42.0	Insurance claims and indemnities	6	7	
99.0	Subtotal, direct obligations	113,143	125,525	111,48
99.0	Reimbursable obligations	5,256	9,434	8,30
99.9	Total obligations	118,399	134,959	119,78
	Personnel Sum	mary		
Direct:				
Tota	al number of full-time permanent positions	2,136	2,101	2,01
Tota	il compensable workyears:			
F	ull-time equivalent employment	2,348	2,363	2,26
F	ull-time equivalent of overtime and holiday			
	hours	10	10	
Poimb	ırsable:			
	n sable: all number of full-time permanent positions	28	28	2
	l compensable workyears:			
	ull-time equivalent employment	53	53	
	ull-time equivalent of overtime and holiday			•
	hours	1	1	
		•		

Identificat	ion code 12-1104-6-1-302	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b> 5,419</b>	
	inancing:  Reduction in new spending authority (off- setting collections)		21	
40.00	Budget authority (appropriation)		-5,398	***************************************

#### General and special funds-Continued

#### FOREST RESEARCH—Continued

#### Reduction Pursuant to Public Law 99-177-Continued

#### Program and Financing (in thousands of dollars)-Continued

Idenlifica	tion code 12-1104-6-1-302	1985 actual	1986 est.	1987 est.
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	***************************************	-5,398	
	Obligated balance, start of year			<b>—1,246</b>
74.40	Obligated balance, end of year		1,246	
90.00	Outlays		<b>—4,152</b>	<u>1,246</u>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest pest management activities, [\$57,986,000] \$24,871,000, to remain available for obligation until expended, to carry out activities authorized in Public Law 95-813: Provided, That a grant of [\$3,000,000] \$2,800,000 shall be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495. (16 U.S.C. 2101-2106, 2109-2111; Public Law 95-495; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

#### Program and Financing (in thousands of dollars)

enlificatio	on code 12-1105-0-1-302	1985 actual	1986 est.	1987 est.
Pr	ogram by activities:			
	Direct program:			
0.01	Forest pest management	31,012	29,227	12,660
0.02	Fire protection	13,788	13,016	5,637
0.03	Forest management and utilization	11,296	10,665	4,618
0.04	Special projects	5,266	4,670	2,022
0.91	Total direct program	61,362	57,578	24,937
1.01	Reimbursable program	4,197	4,560	1,740
0.00	Total obligations	65,559	62,138	26,677
Fi	nancing:			
	Offsetting collections from:			
1.00	Federal funds	-3,988	<b>—4,332</b>	-1,653
4.00	Non-Federal sources	-210	-228	<b>—87</b>
1.40	Unobligated balance available, start of year	<b>-4,521</b>	-1,506	-1,566
4.40	Unobligated balance available, end of year	1,506	1,566	1,500
5.00	Unobligated balance lapsing			
9.00	Budget authority	58,292	57,638	24,871
Bı	udget authority:			
0.00	Appropriation	58,292	57,986	24,871
0.00	Reduction pursuant to P.L. 99-190		348	
3.00	Appropriation (adjusted)	58,927	57,638	24,871
Re	elation of obligations to outlays:			
1.00	Obligations incurred, net	61,362	57,578	24,937
2.40	Obligated balance, start of year	15,642	19,521	19,338
4.40	Obligated balance, end of year	<b>—19,521</b>	-19,338	<u>-14,142</u>
00.00	Outlays	57,483	57,761	30,133
4.40	Obligated balance, end of year	<u>-19,521</u>	-19,338	

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of do	illars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	58,292	57,638	24.871
Outlays	57,483	57,761	30,133
Reduction pursuant to P.L. 99-177:	•		/
Budget authority		<b> 2,478</b>	***************************************
Outlays		-2,151	-337
Total:			
Budget authority	58,292	55,160	24.871
Outlays	57,483	55,610	29,796
		====	

Cooperative forestry assistance is provided to all the States, Puerto Rico, Virgin Islands, Guam, the Northern Mariana Islands and the Trust Territory of the Pacific to promote protection and management of forest lands.

Forest pest management.—Protects forest resources and processed wood from insects and diseases directly on National Forests and other Federal lands and in cooperation with States on non-Federal lands.

Fire protection.—Helps State forestry organizations to achieve fire protection efficiency through activities of national interest on non-Federal wildlands.

Forest management and utilization.—Improves management of non-industrial private forest resources; increases wood utilization; increases seedling production and nursery capacity of State tree nurseries; expands State tree improvement programs; and provides management and planning assistance.

Special projects.—Assistance will be provided to Minnesota for forestry impacts of the Boundary Waters Canoe Area Wilderness.

For 1987, financial assistance to the States will be terminated and limited technical assistance will be provided. State forestry programs have matured sufficiently to justify reduced Federal assistance.

#### MAIN WORKLOAD FACTORS

1985 actual	1986 estimate	1987 estimate
3,585	1,688	
134	91	
72	18	
621	102	
294	36	
	3,585 134 72 621	3,585 1,688 134 91 72 18 621 102

#### Object Classification (in thousands of dollars)

Identific	ation code 12-1105-0-1-302	1985 actual	1986 esl.	1987 esl.
	FOREST SERVICE			
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	14,239	13,403	10,543
11.3	Other than full-time permanent	1,809	1,711	1,332
11.5	Other personnel compensation	545	512	404
11.8	Special personal service payments	8	7	6
11.9	Total personnel compensation	16,601	15,633	12,285
12.1	Personnel benefits: Civilian	2,150	2,025	1,591
13.0	Benefits for former personnel	79	74	58
21.0	Travel and transportation of persons	1,824	1,263	880
22.0	Transportation of things	255	177	123
23.1	Standard level user charges	1,096	1,178	988
23.2	Rental payments to others	45	31	22
23.3	Communications, utilities, and miscella-			
	neous charges	813	563	392
24.0	Printing and reproduction	409	283	197
25.0	Other services	9,875	6,840	4,763
26.0	Supplies and materials	910	630	439

474 0 42 0 27,119 4 3 3 54 3 56,389 7 4,560	29 2,800 2 38 24,937
3 3 54 3 56,389	2 38 24,937
56,389	24,937
56,389	24,937
:	
1,189	
62,138	26,677
60,949	26,677
219	
265 70	
	9 219 5 265 0 70 5 635

Personnel Summary				
Direct:				
Total number of full-time permanent positions	471	433	341	
Total compensable workyears:	570	520	400	
Full-time equivalent employment Full-time equivalent of overtime and holiday	572	539	423	
hours	21	20	16	
Reimbursable:	1.4	10	10	
Total number of full-time permanent positions	14	13	10	
Total compensable workyears: Full-time equiva- lent employment	14	13	10	
icit ciripioyincit	14	13	10	

# Reduction Pursuant to Public Law 99-177 Program and Financing (in thousands of dollars)

Program and Financii	ng (iii tilousahus of	uollais)	
Identification code 12-1105-6-1-302	1985 actual	1986 est.	1987 est.

Tuoninous.		1000 00000	1000 000	100, 000.
	rogram by activities: Total obligations		<b>-2,488</b>	
25.00	inancing: Reduction in new spending authority (off-setting collections)		10	
40.00	Budget authority (appropriation)		<b>—2,478</b>	
71.00 72.40 74.40	elation of obligations to outlays: Obligations incurred, net Obligated balance, start of year Obligated balance, end of year		-2,488 337	
90.00	Outlays		-2,151	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### NATIONAL FOREST SYSTEM\*

\*See Part II for additional information.

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for [liquidation of obligations incurred] repayment of advances made in the preceding fiscal year, pursuant to 16 U.S.C. 656d, for forest fire protection and emergency rehabilitation of National Forest system lands, including administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", and "Land Acquisition", [\$1,054,629,000] \$889,488,000, of which [\$166,761,000] \$118,033,000 for [reforestation,] reforestation and timber stand improvement, cooperative law enforcement, and maintenance of forest development roads and trails shall remain available for obligation until September

30, [1987] 1988[: Provided, That the unobligated balances available September 30, 1985 and funds becoming available in fiscal year 1986 under the Act of October 14, 1980 (16 U.S.C. 1606), shall be transferred to and merged with the National Forest System appropriation account as of October 1, 1985: Provided further, That notwithstanding any other provision of law, subsection (e) of section 303 of the Act of October 14, 1980, as amended by the Act of January 6, 1983, Public Law 97-424 (16 U.S.C. 1606), is repealed and subsection (d) of section 303 of the Act of October 14, 1980, as amended by the Act of January 6, 1983, Public Law 97-424 (16 U.S.C. 1606), is amended to read as follows: ].

["(d) The Secretary of Agriculture is hereafter authorized to obligate such sums as are available in the Trust Fund (including any amounts not obligated in previous fiscal years) for—

(1) reforestation and timber stand improvement as specified in section (3)(d) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601(d)); and

(2) properly allocable administrative costs of the Federal Government for the activities specified above." [7 U.S.C. 1010-12, 2201, 2250; 16 U.S.C. 472a-583i, 556d, 594, 670o(b), 1601-14; 30 U.S.C. 601-604, 611-614; 43 U.S.C. 1181h-j, 1241-43, 1901-08; Public Law 96-487; Public Law 98-478; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-1106-0-1-302	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Land and resource protection	453,036	425,560	360,290
00.02	Renewable resource management and	105 117	000.010	000 500
00.02	utilization	425,447	399,618	338,500
00.03	General administration	239,677	225,122	190,595
00.91	Total direct program	1,118,160	1,050,300	889,385
01.01	Reimbursable program	145,235	137,000	116,000
10.00	Total obligations	1,263,395	1,187,300	1,005,385
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	<b>—</b> 105,339	<b>— 99,400</b>	- 84,200
13.00	Trust funds	- 39,896	37,600	-31,800
21.40	Unobligated balance available, start of year	474	-4,746	<b>— 2,747</b>
24.40	Unobligated balance available, end of year	4,746	2,747	2,850
25.00	Unobligated balance restored	-10,884		
39.00	Budget authority	1,111,548	1,048,301	889,488
В	udget authority:			
40.00	Appropriation	1,111,548	1,054,629	889,488
40.00	Reduction pursuant to P.L. 99-190		-6,328	
43.00	Appropriation (adjusted)	1,111,548	1,048,301	889,488
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	1,118,160	1,050,300	889,385
72.40	Obligated balance, start of year	76,532	131,518	101,503
74.40	Obligated balance, end of year	-131,518	-101,503	<b>—76,278</b>
90.00	Outlays	1,063,174	1,080,315	914,610

### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

L)tr	thousand	s of a	follars1

ilaisj		
1985 actual	1986 estimate	1987 estimate
1,111,548	1,054,629	889,488
1,063,174	1,080,315	914,610
***************************************	45.077	
	-39.068	-6.009
	,	-,
	***************************************	5,000
***************************************		4,000
		,
	165,700	***************************************
	1,111,548	1985 actual 1986 estimate  1,111,548 1,054,629 1,063,174 1,080,315

Description.

# General and special funds—Continued

#### NATIONAL FOREST SYSTEM-Continued

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS-Continued

fla	thousands	nf	forsiloh	

Outlays	1985 actual	1986 estimate 165,700	1987 estimate
Total:  Budget authority  Outlays	1,111,548	1,175,252	894,488
	1,063,174	1,206,947	912,601

The 156 national forests, 19 national grasslands, and 18 land utilization projects located in 44 States, Puerto Rico and the Virgin Islands are managed under multiple use and sustained yield principles. The natural resources of timber, range, watershed, wildlife and outdoor recreation are utilized in a planned combination that will best meet the needs of the Nation, without impairing productivity of the land and will be environmentally acceptable. These management and utilization principles are recognized in the Multiple-Use Sustained-Yield Act of June 12, 1960 (74 Stat. 215). Work programs and budget estimates are related to meeting the increased demands for specific National Forest resource needs through 1987 and for long-term objectives for the year 2020. Increases are provided in the budget for further attainment of these program objectives.

Land and resource protection.—Provides for the protection and/or maintenance of National Forest System users, resources, lands and facilities, including roads and trails.

Renewable resource management and utilization.—Provides for the management and utilization of the timber, wildlife, range, recreation, watershed, and soil resources on National Forest System lands.

For 1987, funding will be reduced because of a lower timber sales volume (10 billion board feet), eliminating resource improvement activities not cost effective, and reducing forest fire protection costs.

In addition, a 1986 supplemental will be requested to reimburse 1985 costs of forest fire suppression activities.

#### MAIN WORKLOAD FACTORS

Description:	1985 actual	1986 estimate	1987 estimate
Area administered and protected (million acres).	191	191	191
Minerals management (operating plans)	28,488	23,998	23,480
Landline location (miles)	8,561	4,623	3,955
Fuel treatment including fuelbreaks (thousand			
acres)	227	285	48
Timber sales prepared and offered (billion board			
feet)	11.5	11.4	10.0
Timber volume harvested (billion board feet)	10.9	11.2	11.2
Tree planting and seeding (thousand acres)			
(appropriated)	175	145	79
Timber stand improvement (thousand acres)			
(appropriated)	301	197	121
Estimated number of visitor-days to national for-			
ests (millions) 1	225.4	225.0	225.0
Wildlife habitat improvement (thousand acres)	111	110	65
Grazing use (millions permitted livestock)	10.1	9.8	9.8
Soil and water resource improvement (thousand			
acres)	6.4	7.3	2.0
Receipts (in thousands of dollars):			
National forests fund:			
Timber sales	498,546	802,548	715,700
Timber sales betterment	186,107	150,000	160,000
Minerals	14,998	20,000	19,000
Grazing	7,747	7,747	7,747
Recreation admission and user fees	30,826	33,700	52,000

Other	3,518	4,150	5,200
National grasslands and land utilization:			
Grazing	1,292	1,292	1,292
Minerals	62,524	40,000	48,000
Other	439	525	525
Oregon and California grant lands	16,056	22,000	24,000
Total receipts	822,053	1,081,962	1,033,464

<sup>1</sup> Including wilderness areas.

Identification code 12-1106-0-1-302

Direct obligations:

11 1

11.3

11.5

11.8

FOREST SERVICE

Full-time permanent .....

Other than full-time permanent......

Other personnel compensation.....

Special personal services payments....

Personnel compensation:

General administration.—This activity represents that share of the cost which contributes to the support for accomplishment of programs financed from Research, State and Private Forestry, National Forest System, Construction, and Land Acquisition appropriations.

#### Object Classification (In thousands of dollars)

1985 actual

479.824

89,388

60,295

15,262

1986 est

489.466

91,151

61,501

15,595

1987 est

423,455

76,348

52,363

12,676

40.

Direct:	Personnel Sum	mary		
Nati	ions are distributed as follows: onal Forest Systemeau of Land Management	1,261,139 2,256	1,215,608 1,692	1,003,88 1,50
99.9	Total obligations	1,263,395	1,187,300	1,005,38
99.0	Subtotal, allocation accounts	2,256	1,692	1,50
32.0	Lands and structures	9	5	
31.0	Equipment	86	51	3
26.0	Supplies and materials	150	89	6
25.0	Other services	353	209	16
24.0	Printing and reproduction	80	47	3
23.2	Rental payments to others	94	56	4
22.0	Transportation of things	24	14	1
12.1 21.0	Personnel benefits: Civilian  Travel and transportation of persons	164 107	140 63	13
11.9	Total personnel compensation	1,189	1,018	95
l 1.1 l 1.3	Full-time permanent Other than full-time permanent	1,146 43	982 36	92 2
	Personnel compensation:			
	ALLOCATION ACCOUNTS			
99.0	Reimbursable obligations	145,235	137,000	116,00
99.0	Subtotal, direct obligations	1,115,904	1,048,608	887,88
14.0	Refunds	91	77	5
12.0	Insurance claims and indemnities	309	262	19
41.0	Grants, subsidies, and contributions	33	28	4,70
32.0	Lands and structures	7,578	6,429	4.70
20.U 31.0	Supplies and materials Equipment	29,988	25,441	33,18 18,61
25.0 26.0	Other services	172,419 53,458	116,274 45,351	107,03
24.0	Printing and reproduction	4,402	3,734	2,73
	neous charges	36,253	30,755	22,50
23.3	Communications, utilities, and miscella-	3,030	0,000	0,10
23.2	Rental payments to others	9,830	8,339	6,10
23.1	Standard level user charges	16,127	17,508	14,68
21.0 22.0	Travel and transportation of persons  Transportation of things	30,111 9,338	25,545 7,922	18,69 5,79
13.0	Benefits for former personnel	11,956	12,196	10,55
12.1	Personnel benefits: Civilian	89,242	91,034	78,18

	Total compensable workyears:			
	Full-time equivalent employmentFull-time equivalent of overtime and holiday	24,565	25,049	21,502
	hours	537	548	484
Rei	imbursable:			
	Total number of permanent positions	100	102	89
	Total compensable workyears:			
	Full-time equivalent employment	133	136	119
	Full-time equivalent of overtime and holiday			
	hours	1,597	1,634	1,429
	ALLOCATION ACCOUNTS			
	tal number of permanent positionstal compensable workyears:	43	36	35
	Full-time equivalent employmentFull-time equivalent of overtime and holiday	45	38	36
	hours	2	2	2

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	ion code 12-1106-6-1-302	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		<b>—</b> 45,077	
40.00	inancing: Budget authority (appropriation)		<b>— 45,077</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-45,077	
72.40	Obligated balance, start of year			<b>-6,009</b>
74.40	Obligated balance, end of year		6,009	
90.00	Outlays		-39,068	- 6,009

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### NATIONAL FOREST SYSTEM

(Proposed for latter transmittal, proposed legislation)

#### Program and Financing (in thousands of dollars)

Identification code 12-1106-2-1-302	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Total obligations			5,000
Financing: 40.00 Budget authority (appropriation)			5,000
Relation of obligation to outlays: 71.00 Obligations incurred, net			5,000 —1,000
90.00 Outlays			4,000

Legislation will be proposed to implement a realignment of Forest Service and Bureau of Land Management jurisdictional boundaries and responsibilities.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-1106-2-1-302	1985 actual	1986 est.	1987 est.
13.0	Benefits for former personnel			500
21.0	Travel and transportation of persons			300
22.0	Transportation of things			1,622
23.3	Communications, utilities, and miscellane-			
	ous charges			900
24.0	Printing and reproduction			58
25.0	Other services			1,380
26.0	Supplies and materials			240
9 <b>9</b> .9	Total obligations			5,000

#### CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, for construction, [\$223,865,000] \$195,197,000, to remain available until expended, of which [\$27,449,000] \$11,736,000 is for construction and acquisition of buildings and other facilities; and [\$196,416,000] \$183,461,000 is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: Provided, That funds becoming available in fiscal year [1986] 1987 under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States: Provided further, That [road construction standards used to construct Forest Service roads, purchaser credit roads, or purchaser elect roads shall be applied, or other management initiatives or administrative cost-saving actions taken, including reductions in personnel or overhead charges, in fiscal year 1986 in a manner so as to achieve a 5 per centum reduction in the average cost per road mile as compared to fiscal year 1985: Provided further, That such actions shall be taken so as to achieve this 5 per centum reduction in each Forest Service region: Provided further, That notwithstanding any other provision of this Act or any other provision of law, \$9,915,000 of the contract authority available in the Federal Highway Trust Fund and not otherwise appropriated shall be available to the Forest Service for road construction to Forest Development Road Standards to serve the Mount St. Helens National Volcanic Monument, Washington: Provided further, That the foregoing shall not alter the amount of funds or contract authority that would otherwise be available for road construction to serve any State other than the State of Washington no more than \$154,321,000 to remain available without fiscal year limitation, shall be obligated for construction of forest roads by timber purchasers. (7 U.S.C. 2250; 16 U.S.C. 501, 532-538, 555b, 571c, 1241-51, 1601, 1643; 42 U.S.C. 8259; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

IdenIificat	ion code 12-1103-0-1-302	1985 actual	1986 est.	1987 esl.
Р	rogram by activities:			
	Direct program:			
00.01	Construction of facilities	33,124	29,090	24,177
00.02	Road and trail construction	235,352	206,653	171,806
00.03	Pollution abatement	421	369	295
00.04	Land acquisition	8	5	4
00.05	Mt. St. Helens timber salvage	185	160	118
00.91	Total direct program	269,090	236,277	196,400
01.01	Reimbursable program	1,712	2,160	1,895
10.00	Total obligations	270,802	238,437	198,295
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds	<b>— 5</b> 5	-50	45
14.00	Non-Federal sources	-1,657	-2,110	<b>—</b> 1,850
17.00	Recovery of prior year obligations	-1,394		
21.40	Unobligated balance available, start of year	<b>— 249,153</b>	<b>—</b> 19,036	- 5,281
24.40	Unobligated balance available, end of year	19,036	5,281	4,078
25.00	Unobligated balance lapsing	74,215		
39.00	Budget authority	111,794	222,522	195,197
В	udget authority:			
40.00	Appropriation	111,794	223,865	195,197
40.00	Reduction pursuant to P.L. 99-190		-1,343	
43.00	Appropriation (adjusted)	111,794	222,522	195,197
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	269,090	236,277	196,400
72.40	Obligated balance, start of year	138,762	133,235	129,393
74.40	Obligated balance, end of year	-133,235	-129,393	-117,028
78.00	Adjustments in unexpired accounts	-1,394		
90.00	Outlays	273,223	240,119	208,765

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### General and special funds-Continued

#### CONSTRUCTION—Continued

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

thousands	

Eth thousands of doi	iaisj		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	111,794	222,522	195,197
Outlays	273,223	240,119	208,765
Reduction pursuant to P.L. 99-177:			
Budget authority		9,568	
Outlays		-5,665	<b>— 3,243</b>
Total:			
Budget authority	111,794	212,954	195,197
Outlays	273,223	234,454	205,522
·			

#### Construction of facilities.—

Recreation facilities.—Provides facilities necessary to safely meet recreation demand without sacrificing environmental values and without unduly impinging upon other resource uses of the National Forests.

Other facilities.—Provides for construction and acquisition of fire, administrative, and other improvements and related facilities necessary to carry out National Forest and State and private forestry programs. Includes fire lookouts, offices, dwellings and barracks for employee housing, service, and storage buildings, insectories, tree nursery buildings, dams, and other forest resource management projects. Efforts to make buildings more energy efficient (retrofit) will be continued.

Research construction.—Provides for construction, alteration, and improvement of research laboratories and related facilities, and for procurement and installation of necessary initial equipment needed to put the facility into operating condition. Efforts to make research facilities more energy efficient (retrofit) will be continued.

#### Road and trail construction.—

Road and trail construction.—Roads and trails are essential to the protection and management of the National Forest System, as well as providing access to National Forest System areas for recreation and utilization of their resources. Of the revenues received annually from National Forest activities, 10 percent is being transferred to the General Fund with a comparable amount appropriated to the construction program for road and trail construction activities.

Timber purchaser construction.—Roads may be constructed and/or reconstructed by a timber purchaser who in turn receives credit against timber value as a reimbursement. These roads are those required within a timber sale area specifically for the removal of the timber, but which will remain on the National Forest development road system for resource management purposes after the timber sale contract is completed. (16 U.S.C. 535, item (2); section 9 of Public Law 93-378; and section 3(a) of Public Law 93-344.) For 1987, construction will be reduced by eliminating

For 1987, construction will be reduced by eliminating all new facility construction and reducing road construction slightly.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-1103-0-1-302	1985 actual	1986 est.	1987 est.
	FOREST SERVICE			
	Direct obligations:			
	Personnel compensation:	00.051	07.150	
11.1	Full-time permanent	92,051	87,153	83,21
11.3	Other than full-time permanent	9,714	9,200	8,77
11.5	Other personnel compensation	1,552	1,469	1,40
11.8	Special personal services payments	132	128	12
11.9	Total personnel compensation	103,449	97,950	93,51
12.1	Personnel benefits: Civilian	14,425	13,658	13,03
13.0	Benefits for former personnel	2.144	2,030	1,93
21.0	Travel and transportation of persons	3,865	3,272	2,32
22.0	Transportation of things	1,517	1,284	91
23.1	Standard level user charges	3,341	3,591	3,01
23.2	Rental payments to others	2,294	1,942	
		2,234	1,942	1,38
23.3	Communications, utilities, and miscella-	2.005	2 100	0.00
	neous charges	3,685	3,120	2,22
24.0	Printing and reproduction	738	625	44
25.0	Other services	51,973	42,591	30,48
26.0	Supplies and materials	6,982	5,911	4,20
31.0	Equipment	4,405	3,729	2,65
32.0	Lands and structures	66,098	55,961	39.82
41.0	Grants, subsidies, and contributions	1	1	33,02
		_	_	24
42.0	Insurance claims and indemnities	567	480	34
44.0	Refunds	156	132	9
99.0	Subtotal, direct obligations	265,640	236,277	196,40
99.0	Reimbursable obligations	1,712	2,160	1,89
	ALLOCATION TO FEDERAL HIGHWAY ADMINISTRATION			
11 1	Personnel compensation:			
11.1	Full-time permanent	55	•••••	•••••
11.3	Other than full-time permanent	15		•••••
11.5	Other personnel compensation	31		
11.9	Total personnel compensation	101		
12.1	Personnel benefits: Civilian	14		
13.0	Benefits for former personnel	i		
21.0	Travel and transportation of persons	91		
				•••••
22.0	Transportation of things	36		
23.2	Rental payments to others	54		
23.3	Communications, utilities and miscellane-			
	ous charges	86		
24.0	Printing and reproduction	17		
25.0	Other services	1,218		
26.0	Supplies and materials	164		
31.0	Equipment	103		
32.0	Lands and structures	1,552	•••••	•••••
0 0				
44.0	Refunds	13		
99.0	Subtotal, obligations, allocation to Federal Highway Administration	3,450		
99.9	Total obligations	270,802	238,437	198,29
	Personnel Sum	mary		
	FOREST SERVICE			
Direct:				
lot	al number of full-time permanent positions	3,581	3,315	3,17

FOREST SERVICE			
Direct:			
Total number of full-time permanent positions  Total compensable workyears:	3,581	3,315	3,171
Full-time equivalent employmentFull-time equivalent of overtime and holiday	4,025	3,811	3,638
hours	50	48	46
Reimbursable:			
Total number of full-time permanent positions  Total compensable workyears:	14	13	12
Full-time equivalent employmentFull-time equivalent of overtime and holiday	46	44	41
hours	3	2	1

#### 

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-1103-6-1-302	1985 actual	1986 est.	1987 est.
10.00	Program by activities: Total obligations		9,659	
25.00	inancing: Reduction in new spending authority (off-setting collections)		91	
40.00	Budget authority (appropriation)		<b>- 9,568</b>	
71.00	elation of obligations to outlays:  Obligations incurred, net		<b>—</b> 9.659	
72.40 74.40	Obligated balance, start of yearObligated balance, end of year		3,994	— 3,994 751
90.00	Outlays		-5,665	-3.243

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### OTHER APPROPRIATIONS

#### Program and Financing (in thousands of dollars)

ogram by activities:			
Acquisition of lands for Winema National			
Forest, Oregon		469	
	41		
tion	2		
Total obligations	50	469	
nancing:			
Recovery of prior year obligations	-3,945	•••••	
Unobligated balance available, start of year	-469	<b>— 469</b>	
Unobligated balance available, end of year	469	•••••	
Unobligated balance lapsing	3,895		
Budget authority			
elation of obligations to outlays.			
	50	469	
		479	
	<b>— 479</b>		
Adjustments in unexpired accounts	<b>—3,945</b>		
Outlays	412	948	
Attach of auditors by assessed			
tion of outlays by account:	7	160	
	'	403	***************************************
	_17		
	Acquisition of lands for Winema National Forest, Oregon	Acquisition of lands for Winema National Forest, Oregon	Acquisition of lands for Winema National Forest, Oregon

Acquisition of lands for Winema National Forest, OR.—This special account is established by Private Law 96-98, approved December 5, 1980, for receipt of a dona-

tion to the Secretary of Agriculture for acquisition of lands or interests therein within the Winema National Forest.

OPERATION AND MAINTENANCE OF RECREATION FACILITIES
(Proposed for later transmittal, proposed legislation)

#### Program and Financing (in thousands of dollars)

Identifica	tion Code 12-5072-2-2-302	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
10.00	Total obligations			46,800
F	inancing:			
24.40	Unobligated balance available, end of year			5,200
40.00	Budget authority (appropriation, special fund)			52,000
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			46,800
74.40	Obligated balance, end of year			_7,748
90.00	Outlays			39,052

Outdoor recreation occurs throughout National Forest System lands. Legislation will be proposed to provide for the operation and maintenance of National Forest recreation areas and facilities from recreation fee receipts. Recreationists who enjoy National Forest System lands will receive direct benefit from the fees collected. Land and Water Conservation Fund receipts will be used in 1987 to provide time for sufficient funds to accrue.

#### Object Classification (in thousands of dollars)

Identificati	on code 12-5072-2-2-302	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent			29,772
11.3	Other than full-time permanent			3,219
11.5	Other personnel compensation			504
11.9	Total personnel compensation			33,495
12.1	Personnel benefits: Civilian			4,67
13.0	Benefits for former personnel			693
21.0	Travel and transportation of persons			216
22.0	Transportation of things			85
23.2	Rental payments to others			128
23.3	Communications, utilities, and miscell			
	neous charges			20
24.0	Printing and reproduction			4:
25.0	Other services			2,90
26.0	Supplies and materials		***************************************	39
31.0	Equipment	••••		24
32.0	Lands and structures			3,68
42.0	Insurance claims and indemnities			3:
44.0	Refunds			
99.9	Total obligations			46,80
	Personnel Sum	mary		
	umber of full-time permanent positions	*******************************	***************************************	1,13
Full-	time equivalent employment	***************************************		1,30
	time equivalent of overtime and holiday ours		***************************************	1

#### General and special funds-Continued

#### Acquisition of Lands for National Forests

#### SPECIAL ACTS

For acquisition of land within the exterior boundaries of the Cache, and Uinta [, and Wasatch] National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, and Cleveland National Forests, California, as authorized by law, [\$782,000] \$966,000, to be derived from forest receipts. (Public Law 76-59; Public Law 76-591; Public Law 78-310; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

#### Amounts Available for Appropriation (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Unappropriated balance, start of year	1		33
Receipts	705	777	966
Appropriation	<b>—706</b>	<b>—777</b>	<b>- 966</b>
Reduction pursuant to P.L. 99-177		33	
Unappropriated balance, end of year		33	33

#### Program and Financing (in thousands of dollars)

dentificat	ion code 12-5208-0-2-302	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Cache National Forest, Utah	2	20	20
00.02	Uinta and Wasatch National Forests, Utah	49	30	30
00.03	Toiyabe National Forest, Nev	10	10	10
00.04	San Bernardino and Cleveland National For-			
	ests, Calif	17	295	446
00.05	Angeles National Forest, Calif	235	262	260
00.06	Cleveland National Forest, Calif	393	160	200
10.00	Total obligations	706	777	966
F	inancing:			
39.00	Budget authority	706	777	966
В	udget authority:			
40.00	Appropriation (special fund)	706	782	966
40.00	Reduction pursuant to P.L. 99-190	***************************************	<b></b> 5	
43.00	Appropriation (adjusted)	706	777	966
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	706	777	966
72.40	Obligated balance, start of year	217	379	380
74.40	Obligated balance, end of year	-379	-380	<b>— 39</b> 9
90.00	Outlays	544	776	947

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

#### [In thousands of dollars]

(			
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	706	777	966
Outlays	544	776	947
Reduction pursuant to P.L. 99–177:			
Budget authority		<b>—33</b>	
Outlays		-30	-3
Total:			
	700	744	000
Budget authority	706	744	966
Outlays	544	746	944

On the basis of various public laws and agreements with certain counties in Utah, Nevada, and California, National Forest receipts, including the portions which would normally be paid to county road and school funds, are used by the Government for purchase of privately owned lands within the National Forests to aid in the control of soil erosion and flood damage.

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-5208-0-2-302	1985 actual	1986 est.	1987 est.
11.1	Personnel compensation: Full-time perma-			
	nent	32	32	32
12.1	Personnel benefits: Civilian	4	4	4
21.0	Travel and transportation of persons	1	1	1
22.0	Transportation of things	1	1	1
25.0	Other contractual services	114	126	158
26.0	Supplies and materials	1	1	1
32.0	Lands and structures	553	612	769
99.9	Total obligations	706	777	966

#### Personnel Summary

Total number of permanent positions	1	1	1
Total compensable workyears: Full-time equivalent			
employment	1	1	1

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

ldentificat	ion code 12-5208-6-2-302	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		-33	
			00	
40.00	inancing: Budget authority (appropriation)		-33	***************************************
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-33	***************************************
72.40	Obligated balance, start of year			-3
74.40	Obligated balance, end of year		3	
90.00	Outlays		-30	_3

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Acquisition of Lands To Complete Land Exchanges

For acquisition of lands [in accordance with the Act of December 4, 1967, as amended (16 U.S.C. 484a), all], to be derived from funds deposited by State, county or municipal governments, public school districts or other public school authorities pursuant to [that Act] the Act of December 4, 1967 as amended (16 U.S.C. 484a), to remain available until expended. (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

ldentificat	ion code 12-5216-0-2-302	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Acquisition of land:			
00.01	Arizona	22	20	
00.02	California			865
00.03	Colorado		••••••	10
00.00	00101 000			
10.00	Total obligations (object class 32.0).	22	20	875
	inancing:	11		
17.00	Recovery of prior year obligations	-11		
21.40	Unobligated balance available, start of year	-901	<b>—</b> 932	932
24.40	Unobligated balance available, end of year	932	932	952
40.00	Budget authority (appropriation)	42	20	895
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	22	20	875
72.40	Obligated balance, start of year	18	23	23
74.40	Obligated balance, end of year	-23	-23	-3
78.00			-23	-5
70.00	Adjustments in unexpired accounts			***************************************
90.00	Outlays	6	20	895

3,798

3,701

3,800

3,768

3,966

3,920

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[in thousands of do	liars}		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	42	20	895
Outlays	6	20	895
Reduction pursuant to P.L. 99–177:			
Budget authority			
Outlays		-1	
Total:			
Budget authority	42	20	895
Outlays	6	19	895

This is a special account for deposits made by State, county, or municipal governments, public school districts or other public school authorities for cash equalization of certain land exchanges. When appropriated, the funds are used to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange (16 U.S.C. 484a as amended).

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-5216-6-2-302	1985 actual	1986 est.	1987 est.
	Program by activities: Total obligations		-1	
F 21.40 24.40			1	-:
39.00	Budget authority			
71.00	elation of obligations to outlays: Obligations incurred, net		-1	
90.00	Outlays		-1	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement [in accordance with section 401(b)(1), of the Act of October 21, 1976, Public Law 94-579, as amended ], 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to Section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended. (43 U.S.C. 1751, 1901-1908; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

### Program and Financing (in thousands of dollars)

Identificat	ion code 12-5207-0-2-302	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations	3,888	3,871	3,700
17.00 21.40 24.40	inancing: Recovery of prior year obligations Unobligated balance available, start of year Unobligated balance available, end of year	-94 -351 523	523 450	- 450 550
40.00	Budget authority (appropriation)	3,966	3,798	3,800
	elation of obligations to outlays:	3.888	3.871	3.700
71.00 72.40 74.40	Obligated balance, start of year Obligated balance, end of year	1,144 —1,018	1,018 1,057	1,057 — 957

78.00	Adjustments in unexpired accounts	<b>—94</b>		
90.00	Outlays	3,920	3,832	3,800
	SUMMARY OF BUDGET AUTHO	RITY AND	OUTLAYS	
	[In thousands of do	llars]		
		1985 actual	1986 estimate	1987 estimate
	d/requested:			
Bud	get authority	3,966	3,798	3,800
	ays	3,920	3,832	3,800
	ion pursuant to P.L. 99-177:			
	get authority			
	ays		-131	-32

Total:

Budget authority .....

Fifty percent of the grazing fees from the National Forests, in the 16 western States, once appropriated, are used to protect and improve the productivity of the range, mainly by revegetation, construction, and maintenance of improvements. Capital improvement funding is currently being collected under the authority of the Federal Land Policy and Management Act of 1976 (43) U.S.C. 1751), as amended.

#### Object Classification (in thousands of dollars)

Identifica	ition code 12-5207-0-2-302	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	585	561	563
11.3	Other than full-time permanent	546	532	532
11.5	Other personnel compensation	68	65	6
11.8	Special personal service payments	22	22	22
11.9	Total personnel compensation	1,221	1,180	1,180
12.1	Personnel benefits: Civilian	130	126	126
13.0	Benefits for former personnel	43	41	4.
21.0	Travel and transportation of persons	38	38	35
22.0	Transportation of things	32	32	30
23.3	Communications, utilities, and miscellane-			
	ous charges	27	27	2
24.0	Printing and reproduction	3	3	
25.0	Other services	639	647	603
26.0	Supplies and materials	1,432	1,450	1,352
31.0	Equipment	69	70	6
32.0	Lands and structures	253	256	239
42.0	Insurance claims and indemnities	1	1	
99.9	Total obligations	3,888	3,871	3,700
	Personnel Sum	mary		
	number of full-time permanent positions	25	24	24
	-time equivalent employment	64	62	6:
	-time equivalent of overtime and holiday			
	nours	3	3	

#### Reduction Pursuant to Public Law 99-177

Identificat	tion code 12-5207-6-2-302	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		—163	
21.40	inancing: Unobligated balance available, start of year Unobligated balance available, end of year		163	-163 163
39.00	Budget authority			

#### General and special funds-Continued

#### RANGE BETTERMENT FUND-Continued

#### Reduction Pursuant to Public Law 99-177-Continued

#### Program and Financing (in thousands of dollars) -- Continued

Identificat	ion code 12-5207-6-2-302	1985 aciual	1986 est.	1987 est.
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-163	
72.40	Obligated balance, start of year			-32
74.40	Obligated balance, end of year		32	
90.00	Outlays		-131	32

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

#### LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, [\$28,300,000] \$3,206,000, to be derived from the Land and Water Conservation Fund, to remain available until expended [: Provided, That of the amount appropriated, \$3,900,000 shall be paid to Edwards Investments, an Idaho partnership, upon delivery of a quitclaim deed to the United States conveying acceptable title to all of Edwards Investments' interest in all of those portions of a former Chicago, Milwaukee, St. Paul, and Pacific Railroad right-of-way between Avery, Idaho and St. Regis, Montana that cross or adjoin Federal lands, including all of Edwards Investments' interests in all improvements on said right-of-way. Upon acquisition, some or all of the right-of-way may be used as a road and available for public travel where determined appropriate by the Chief of the Forest Service ]. (16 U.S.C. 4601, 516-517a, 555a; Public Law 96-586; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-5004-0-2-303	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01	Direct program	31,306	38,000	36,000
01.01	Reimbursable program	534		
10.00	Total obligations	31,840	38,000	36,000
F	inancing:			
14.00	Offsetting collections from: Non-Federal			
	sources	-535		
21.40	Unobligated balanced available, start of			
	year	<b>— 41,277</b>		,
24.40	Unobligated balanced available, end of year	60,507	50,637	17,843
39.00	Budget authority	50,535	28,130	3,206
В	ludget authority:			
40.00	Appropriation	50,535	28,300	3,206
40.00	Reduction pursuant to P.L. 99-190		<u>-170</u>	
43.00	Appropriation (adjusted)	50,535	28,130	3,206
R	telation of obligations to outlays:			
71.00	Obligations incurred, net	31,306	38,000	36,000
72.40	Obligated balance, start of year	17,131	6,149	3,622
74.40	Obligated balance, end of year	-6,149	-3,622	<b>—7,83</b>
90.00	Outlays	42,288	40,527	31,790

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of do	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	50,535	28,130	3,206
Outlays	42,288	40,527	31,790
Reduction pursuant to P.L. 99–177:			
Budget authority		1,210	
Outlays		<b> 484</b>	-605
Total:			
Budget authority	50,535	26,920	3.206
Outlays	42,288	40,043	31,185

Recreation lands and interests are acquired within the National Forest System, wilderness, wildlife habitat management areas, endangered species and other areas important for public outdoor recreation purposes.

The land acquisition program in fiscal year 1987 will initiate a 3-year moratorium on new land acquisitions, complete purchases already started, and meet the most critical court deficiency awards.

Object Classification (in thousands of dollars)

90

IdenIifica	alion code 12-5004-0-2-303	1985 actual	1986 esl.	1987 esl.
11.1 11.3 11.5	Personnel compensation: Full-time permanent Other than full-time permanent Other personnel compensation	2,213 114 20	2,151 114 20	1,964 99 18
11.9 12.1 13.0 21.0 22.0	Total personnel compensation	2,347 328 9 127 27	2,285 319 9 157 33	2,081 291 8 149 31
23.1 23.2 23.3	Standard level user charges	66 104 64	71 129 79	59 123 75
24.0 25.0 26.0 31.0	Printing and reproduction	14 1,121 60 36	17 1,386 74 45	16 1,317 70 43
32.0 44.0 99.0	Lands and structures	26,991 12 31,306	33,381 15 38.000	31,723 14 36,000
99.0 99.9	Reimbursable obligations	534 31,840	38,000	36,000
	Personnel Sum	mary		
	number full-time permanent positions	75	72	65
Full	-time equivalent employmenttime equivalent of overtime and holiday	79	77	70
	nours	1	1	1

#### Reduction Pursuant to Public Law 99-177

Identifical	ion code 12-5004-6-2-303	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		-1.210	
	inancing:	***************************************	1,210	***************************************
40.00	Budget authority (appropriation)		<b>— 1,210</b>	
R	elation of obligations to outlays:			
	Obligations incurred, net		-1,210	
72.40	Obligated balance, start of year	***************************************		<b>—72</b> 6

74.40	Obligated balance, end of year	 726	121
90.00	Outlays	 <b>—484</b>	<b>— 605</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

### OPERATIONS AND MAINTENANCE OF QUARTERS

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-5219-0-2-302	1985 actual	1986 est.	1987 est.
Р	Program by activities:			
10.00	Total obligations	3,925	5,293	5,500
F	inancing:			
21.40	Unobligated balance available, start of year		<b>— 929</b>	-736
24.40	Unobligated balance available, end of year	929	736	636
60.00	Appropriation (permanent, special			
	fund)	4,854	5,100	5,400
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	3,925	5,293	5,500
72.40	Obligated balance, start of year		693	935
74.40	Obligated balance, end of year	<b>— 693</b>	<u> </u>	
90.00	Outlays	3,232	5,051	5,340

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

#### [in thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	4,854	5.100	5.400
Outlays	3,232	5.051	5,340
Reduction pursuant to P.L. 99-177:	,	•	,
Budget authority			
Outlays		<del> 175</del>	44
Total:			
Budget authority	4,854	5,100	5,400
Outlays	3,232	4,876	5,296

Quarterly rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee occupied quarters.

#### Object Classification (in thousands of dollars)

Identifica	ition code 12-5219-0-2-302	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	1,004	1,004	1,029
11.3	Positions other than permanent	453	453	472
11.5	Other personnel compensation	23	23	23
11.8	Special personal services payments	3		
11.9	Total personnel compensation	1,483	1,480	1,524
12.1	Personnel benefits: Civilian	184	184	189
21.0	Travel and transportation of persons	26	42	44
22.0	Transportation of things	12	19	20
23.2	Rental payments to others	20	32	33
23.3	Communications, utilities, and miscellane-			
	ous charges	213	342	357
25.0	Other services	747	1,199	1,251
26.0	Supplies and materials	1,133	1,823	1,903
31.0	Equipment	16	26	27
32.0	Lands and structures	77	124	129
41.0	Grants, subsidies, and contributions	1	2	2
42.0	Insurance claims and indemnities	4	6	6
44.0	Refunds	9	14	15
99.9	Total obligations	3,925	5,293	5,500

Personnel Summary			
Total number of full-time permanent positions  Total compensable workyears: Full-time equivalent	41	40	42
employment	63	63	65

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-5219-6-2-302	1985 actual	1986 est.	1987 est.
	rogram by activities:		010	
10.00	Total obligations		<b>— 219</b>	
F	inancing:			
21.40	Unobligated balance available, start of year			-219
24.40	Unobligated balance available, end of year		219	219
39.00	Appropriation			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-219	
72.40	Obligated balance, start of year			- 44
74.40	Obligated balance, end of year		44	
	Outlays		-175	44

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

# FOREST SERVICE PERMANENT APPROPRIATIONS Program and Financing (in thousands of dollars)

dentificati	on code 12-9922-0-2-302	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Expenses, brush disposal	31,428	40,417	46,012
00.02	Licensee programs, Forest Service	33	39	46
00.02		33	33	40
00.03	Restoration of forest lands and improve-	120	169	202
00.04	ments	138	109	202
00.04	Timber purchaser roads constructed by	0.405	10.005	15 404
	Forest Service	8,485	10,985	15,434
00.05	Timber salvage sales	14,976	19,292	23,061
00.06	Tongass timber supply fund	45,840	59,098	70,645
00.91	Total direct program	100,900	130,000	155,400
01.01		,	150,000	133,400
01.01	Reimbursable program			
10.00	Total obligations	100,900	130,015	155,413
F	inancing:			
	Offsetting collections from:			
11.00	Federal funds		<b>— 10</b>	_9
14.00	Non-Federal sources		_4	4
21.40	Unobligated balance available, start of year	<b>—173,211</b>	- 225,39 <sup>1</sup>	- 242,330
24.40	Unobligated balance available, start of year.	225,391	242,330	216,927
24.40	oliobilgated balance available, end of year	223,331		210,327
60.00	Budget authority (appropriation)			
	(permanent, indefinite, special			
	funds)	153,080	146,939	129,997
P	elation of obligations to outlays:			
71.00	Obligations incurred, net	100,900	130,000	155,400
72.40	Obligated balance, start of year	38,212	36.196	15,82
74.40	Obligated balance, start of year	-36,196	-15,825	-36,030
74.40	Obligated balance, end of year	- 30,190	-13,023	- 30,031
90.00	Outlays	102,916	150,371	135,189
Distrib	ition of budget authority by account:			
	enses, brush disposal	53,734	48,026	47,83
	nses programs, Forest Service	74	100	10
	oration of forest lands and improvements	172	100	100
	per purchaser roads constructed by Forest	1/2	100	10
		22.000	22.011	15.40
	ervice	33,898	22,911	15,43
	ber salvage sales	15,232	24,000	20,71
Ion:	gass timber supply fund	49,970	51,802	45,81

#### General and special funds-Continued

#### FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

Program and Financing	(in	thousands	0f	dollars)	—Continued
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Identification code 12-9922-0-2-302	1985 actual	1986 est.	1987 est.
Distribution of outlays by account:			
Expenses, brush disposal	31,961	48,722	47,858
Licensee programs. Forest Service	43	100	100
Restoration of forest lands and improvements	115	100	100
Timber purchaser roads constructed by Forest			
Service	12,198	26,998	18,215
Timber salvage sales	14,337	23,299	20,976
Tongass timber supply fund	44,262	51,152	47,940

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

ΓIn	thousand	n of	dollare	

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	153,080	146,939	129,997
Outlays	102,916	150,371	135,189
Reduction pursuant to P.L. 99–177:			
Budget authority			
Outlays		<b></b> 4,827	1,493
Total:			
Budget authority	153,080	146,939	129,997
Outlays	102,916	145,544	133,696

Expenses, brush disposal.—Funds from payments by purchasers of National Forest timber to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

Licensee programs, Forest Service.—Funds from fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

Smokey Bear.—For furthering the nationwide forest fire prevention campaign (18 U.S.C. 711 and 31 U.S.C. 488a).

Woodsy Owl.—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (31 U.S.C. 488b-3—6).

Restoration of forest lands and improvements.—Funds from claim settlements involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement of forfeiture (16 U.S.C. 579c).

Timber purchaser roads constructed by Forest Service.—Funds from timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)).

Timber salvage sales.—Funds to begin salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement in accordance with Public Law 95–26, the Supplemental Appropriation Act of 1977 and under authority of 16 U.S.C. 472a(h).

Tongass timber supply fund, Forest Service.—Funds from sales of Alaska timber to maintain the timber supply from the Tongass National Forest at a specified level. (Public Law 96-487 (16 U.S.C. 539d).)

#### Object Classification (in thousands of dollars)

Identifica	ation code 12-9922-0-2-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	31,368	36,930	35,051
11.3	Other than full-time permanent	9,812	11,554	10,958
11.5	Other personnel compensation	3,407	4,018	3,813
11.8	Special personal service payments	78	78	78
11.9	Total personnel compensation	44,665	52,580	49,900
12.1	Personnel benefits: Civilian	10,683	12,576	11,935
13.0	Benefits for former personnel	1,212	1,427	1,354
21.0	Travel and transportation of persons	3,025	4,379	6,465
22.0	Transportation of things	973	1,409	2,080
23.1	Standard level user charges	2,069	2,224	1,865
23.2	Rental payments to others	619	896	1,323
23.3	Communications, utilities, and miscella-			
	neous charges	1,877	2,717	4,011
24.0	Printing and reproduction	367	531	784
25.0	Other services	13,891	20,110	29,691
26.0	Supplies and materials	3,626	5,249	7,750
31.0	Equipment	1,411	2,043	3,016
32.0	Lands and structures	16,408	23,752	35,068
41.0	Grants, subsidies, and contributions	2	3	4
42.0	Insurance claims and indemnities	62	90	133
44.0	Refunds	10	14	21
99.0	Subtotal, direct obligations	100,900	130,000	155,400
99.0	Reimbursable obligations		15	13
99.9	Total obligations	100,900	130,015	155,413
	Personnel Sum	mary		
Total r	number of full-time permanent positions	1,346	1,549	1,473
	compensable workyears:			
	-time equivalent employment	1,928	2,270	2,15
Full	-time equivalent of overtime and holiday			

#### Reduction Pursuant to Public Law 99-177

155

132

147

### Program and Financing (in thousands of dollars)

Identificat	ion code 12-9922-6-2-302	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Expenses, brush disposal		-2,065	
00.02	Licensee programs, Forest Service		-4	
00.03	Restoration of forest lands and improve-			
	ments		_4	
00.04	Timber purchaser roads constructed by			
	Forest Service		<b> 985</b>	
00.05	Timber salvage sales		-1,032	
00.06	Tongass timber supply fund		-2,228	-6,318
10.00	Total obligations		-6,318	
F	inancing:			
21.40	Unobligated balance available, start of year			-6,318
24.40	Unobligated balance available, end of year		6,318	6,318
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-6,318	
72.40	Obligated balance, start of year			-1,493
74.40	Obligated balance, end of year		1,493	
7.40	obligated balance, end of year			
90.00	Outlays		-4.827	-1.493

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### FOREST SERVICE PERMANENT APPROPRIATIONS

#### Program and Financing (in thousands of dollars)

Identificat	ion code 12-9921-0-2-852	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Payment to Minnesota	716	716	716
00.02	Payments to counties, National Grasslands.	10,046	14,661	10,954
00.03	Payments to States, National Forest Fund	224,937	212,241	298,036
10.00	Total obligations (object class 41.0).	235,699	227,618	309,706
F	inancing:			
60.00	Budget authority (appropriation) (per-			
	manent, indefinite, special fund)	235,699	227,618	309,706
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	235,699	227,618	309,706
90.00	Outlays	235,699	227,618	309,706
Distribu	tion of budget authority by account:			
Payn	nent to Minnesota	716	716	716
Payn	nents to counties, National Grasslands	10,046	14,661	10,954
Payn	nents to States, National Forest Fund	224,937	212,241	298,036
Distribu	tion of outlays by account:			
Payn	nent to Minnesota	716	716	716
	nents to counties, National Grasslands	10,046	14,661	10,954
Payn	nents to States, National Forest Fund	224,937	212,241	298,036

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[in thousands of do	llars]		
Enacted/requested:	1985 actual	1986 estimate	1987 estimate
Budget authority	235,699	227,618	309,706
Outlays	235,699	227,618	309,706
Reduction pursuant to P.L. 99-177:			
Budget authority			
		-9,788	
Proposed for later transmittal under proposed legis-			
lation:			
Budget authority			<b>— 224,816</b>
Outlays			<b>— 224,816</b>
Total			
	025.000	007.010	04.000
			/
Outlays	235,699	217,830	84,890
Budget authority		227,618 217,830	

Payment to Minnesota.—At the close of each fiscal year the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).

Payments to counties, National Grasslands.—Of the revenues received from the use of National Grasslands, 25 percent is paid to the counties in which such land is situated for funding local schools and roads (7 U.S.C. 1012).

Payments to States, National Forest Fund.—With minor exceptions, 25 percent of the money received from the national forests, including all the collections under 16 U.S.C. 576b, and all amounts allowed any timber purchaser for construction of roads, is paid to the States for funding local schools and roads of the county in which such forests are situated (16 U.S.C. 500 and Public Law 98-175).

Legislation will be proposed that would make these payments more rational by considering Government costs for timber, minerals, and land management necessary to generate gross timber, mineral and land receipts.

#### Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	tion code 12-9921-6-2-852	1985 actual	1986 est.	1987 est.
10.00	Program by activities: Total obligations		<b></b> 9,788	
21.40 24.40	inancing: Unobligated balance available, start of year Unobligated balance available, end of year		9,788	— 9,788 9,788
39.00	Budget authority			
	elation of obligations to outlays:			
71.00	Obligations incurred, net		9,788	
90.00	Outlays		<b>-9.788</b>	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

Forest Service Permanent Appropriations (Proposed for later transmittal, proposed legislation)

#### Program and Financing (in thousands of dollars)

Identification code 12-9921-2-2-852	1985 actual	1983 est.	1987 est.
Program by activities: 10.00 Total obligations (object class 41.0)			<b>— 224,816</b>
Financing: 40.00 Budget authority (appropriation) (special fund)			<b>— 224,81</b> 6
Relation of obligations to outlays: 71.00 Obligations incurred, net			<b>— 224,816</b>
90.00 Outlays			<b>— 224,816</b>

Legislation will be proposed to change the method of calculating the annual payment to the States from National Forest receipts. Under existing legislation, 25 percent of all moneys received from the National Forests during the prior fiscal year is paid to the States in which the forests are located, for the benefit of public schools and public roads of the county or counties in which such National Forests are situated. The proposed legislation would make these payments more rational by considering Government costs for timber, minerals, and land management necessary to generate gross timber, mineral, and land receipts. Recreation and grazing receipts would still be shared with the States on a gross basis.

#### Intragovernmental funds:

#### WORKING CAPITAL FUND

Identificati	on code 12-4605-0-4-302	1985 actual	1986 est.	1987 est.
	rogram by activities:	56.007	67.570	67.707
00.01 00.02	Operating expenses	56,007 25,057	67,578 27,752	67,787 27,504
10.00	Total obligations	81,064	95,330	95,291
Fi	nancing: Offsetting collections from:			
11.00 14.00	Federal funds Non-Federal sources	- 90,585 - 906	-89,761 -3,958	91,597 4,032

#### Intragovernmental funds-Continued WORKING CAPITAL FUND-Continued

Program and Financing	(in thousands o	of dollars)—Continued
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Identilicat	ion code 12-4605-0-4-302	1985 actual	1986 est.	1987 est.
21.98	Unobligated balance available, start of			
21.30	year: Fund balance	- 60.944	<b>—71.371</b>	69.760
24.98	Unobligated balance available, end of year:		,	,
	Fund balance	71,371	69,760	70,098
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	-10,426	1,611	-338
72.98	Obligated balance, start of year: Fund bal-			
	ance	28,747	35,905	37,516
74.98	Obligated balance, end of year: Fund bal-	25.005	07.516	07 170
	ance	35,905	<u>-37,516</u>	37,178
90.00	Outlays	<b>— 17.584</b>		

The Working Capital Fund was established by the act of August 3, 1956 (16 U.S.C. 579b), as amended by the act of October 23, 1962 (16 U.S.C. 579b). It is a selfsustaining revolving fund which provides services to National Forests, research experiment stations, and when necessary, to other Federal agencies, and as provided by law, to State and private agencies and persons who cooperate with the Forest Service in fire control and other authorized programs.

The forestry related supply and support services provided by the Working Capital Fund in 1987 includes:

Equipment services which own, operate, maintain, replace, and repair common use motor driven and similar equipment. This equipment is rented to administrative units, that is, National Forests, research experiment stations, and other units, and in some cases to the other agencies, at rates which recover the cost of operation. repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

Aircraft services which operate, maintain, and repair Forest Service owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are rented to National Forests, research experiment stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working Capital Fund, or a combination of both.

Supply services operate the following common services:

Photo reproduction laboratories which store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. The photographic reproductions are sold to National Forests, experiment stations, and others at cost.

Sign shops which manufacture and supply special signs for the National Forests for use in regulating traffic and as information to the public and other users of the National Forests. The signs are sold to National Forests and experiment stations at cost.

Subsistence which prepare and serve meals to Forest Service crews working in areas where adequate public restaurant facilities are not available.

Nurseries which operate forest tree nurseries and cold storage facilities for storage of tree and seed stock and a seed extractory. Tree seed is procured, cleaned, bagged, and stored in refrigerated facilities. Tree and seed stock is sold to National Forests, States, and other Federal agencies at cost.

Object Classification (in thousands of dollars)

Identilica	Identification code 12-4605-0-4-302		1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	16,937	16,833	16.029
11.3	Other than full-time permanent	5,783	5,748	5,463
11.5	Other personnel compensation	940	953	889
11.8	Special personal services payments	6	6	6
11.9	Total personnel compensation	23,666	23,540	22.387
12.1	Personnel benefits: Civilian	2,901	2,886	2.745
13.0	Benefits for former personnel	879	874	832
21.0	Travel and transportation of persons	386	490	500
22.0	Transportation of things	314	399	407
23.1	Standard level user charges	477	512	430
23.2	Rental payments to others	570	724	739
23.3	Communications, utilities, and miscellane-			
	ous charges	1,179	1,498	1,529
24.0	Printing and reproduction	17	22	22
25.0	Other services	11,645	14,796	15,098
26.0	Supplies and materials	18,765	23,840	24,327
31.0	Equipment	20,159	25,615	26,139
32.0	Lands and structures	90	114	116
41.0	Grants, subsidies and contributions	1	1	1
42.0	Insurance claims and indemnities	4	5	5
44.0	Refunds	11	14	14
99.9	Total obligations	81,064	95,330	95,291

Note.—Personnel totals are included with personnel totals of all other Forest Service programs

#### Trust Funds

#### MISCELLANEOUS TRUST FUNDS

For expenses authorized by 16 U.S.C. 1643(b), \$90,000 to remain available until expended, to be derived from the funds established pursuant to [16 U.S.C. 1643(b)] the above Act. (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Program and Financing (in thousands of dollars)

Identificat	ion code 12-9973-0-7-999	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
00.01	Cooperative work, KV	112,403	224,130	224,990
00.02	Construction and maintenance of other im-			
	provements	37,457	74,686	74,950
00.03	Gifts and donations	42	84	60
10.00	Total obligations	149,902	298,900	300,000
F	inancing:			
	Unobligated balance available, start of			
	year:			
21.40	Treasury balance	<b>- 420,569</b>	<b>— 505,302</b>	-361,585
21.40	U.S. securities (par)	<b>—233</b>	<b>— 200</b>	<b>— 250</b>
	Unobligated balance available, end of year:			
24.40	Treasury balance	505,302	361,585	259,241
24.40	U.S. securities (par)	253	250	300
39.00	Budget authority	234,660	155,180	197,706
В	udget authority:			
	Current:			
40.00	Appropriation	35	90	90

40.00	Reduction pursuant to P.L. 99-190			
43.00	Appropriation (adjusted) Permanent:	35	89	90
60.00	Appropriation (indefinite)	234,625	155,091	197,616
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	149,901	298,900	300,000
72.40	Obligated balance, start of year	33,606	-101,640	30,001
74.40	Obligated balance, end of year	101,640	- 30,001	_139,039
90.00	Outlays	285,147	167,259	190,962

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dol	llars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	234,660	155,180	197,706
Outlay	285,147	167,259	190,962
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>—4</b>	
Outlays		<b>—4,430</b>	<del> 767</del>
Total			
Total:			
Budget authority	234,660	155,176	197,706
Outlays	285,147	162,829	190,195

Advances, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the national forests; and protection, reforestation, and administration of private lands adjacent to national forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 572, 572a, 576b, 1643 and 31 U.S.C. 1321).

Object Classification (in thousands of dollars)

Identificati	on code 12-9973-0-7-999	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	41,057	41,198	49,537
11.3	Other than full-time permanent	12,785	12,830	15,434
11.5	Other personnel compensation	2,708	2,716	3,270
11.8	Special personal services payments	156	154	184
11.9	Total personnel compensation	56,706	56,898	68,425
12.1	Personnel benefits: Civilian	9,436	9,468	11,386
13.0	Benefits for former personnel	1,604	1,610	1,936
21.0	Travel and transportation of persons	1,543	4,362	4,124
22.0	Transportation of things	865	2,446	2,313
23.1	Standard level user charges	771	828	695
23.2	Rental payments to others	1,253	3,543	3,350
23.3	Communications, utilities, and miscella-			
	neous charges	3,252	9,194	8,693
24.0	Printing and reproduction	164	464	439
25.0	Other services	46,825	132,386	125,171
26.0	Supplies and materials	13,752	38,880	36,761
31.0	Equipment	2,644	7,475	7,068
32.0	Lands and structures	10,762	30,427	28,769
41.0	Grants, subsidies, and contributions	3	8	{
42.0	Insurance claims and indemnities	53	150	142
44.0	Refunds	269	761	720
99.9	Total obligations	149,902	298,900	300,000
	Personnel Sum	ma <b>ry</b>		
	umber of full-time permanent positions	1,843	1,808	2,17
	time equivalent employment	2,592	2,601	3,12
	time equivalent of overtime and holiday			
	ours	103	103	12

## Reduction Pursuant to Public Law 99-177

Program and Financing (in thousands of dollars)

Identificat	ion code 12-9973-6-7-999	1985 actual	1986 est.	1987 est.
	rogram by activities:			
	Total obligations	•••••	<b>—</b> 5,199	
40.00	Budget authority (appropriation)		<b>-5,199</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-5,199	
72.40				<b>—767</b>
74.40	Obligated balance, end of year		767	
90.00	Outlays		<b>— 4,430</b>	767

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### REFORESTATION TRUST FUND

Program and Financing (in thousands of dollars)

Identificat	ion code 20-8046-0-7-302	1985 actual	1986 est.	1987 est.
P 10.00	rogram by activities: Total obligations	78,556	34.749	30,000
	inancing:	70,000	01,110	30,000
21.40	Unobligated balance, start of year	<b>-45,900</b>	<b>-4,749</b>	
24.40	Unobligated balance available, end of year	4,749		
60.00	Budget authority (appropriation) (permanent)	37,405	30,000	30,000
R	elations of obligations to outlays:			
71.00	Obligations incurred, net	78,556	34,749	30,000
90.00	Outlays	78,556	34,749	30,000

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[in thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	37,405	30,000	30,000
Outlays	78,556	34,749	30.000
Reduction pursuant to P.L. 99-177:	,	- 7	
Budget authority			
Outlays		-1,032	-258
Total:			
Budget authority	37,405	30,000	30,000
Outlays	78,556	33,717	29,742

Amounts from this account are used for reforestation as authorized by section 303 of the act of October 14, 1980 (16 U.S.C. 1606a (d) and (e)).

#### Object Classification (in thousands of dollars)

Indentifica	tion code 20-8046-0-7-302	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Permanent positions	11,631	***************************************	8,439
11.3	Positions other than full-time perma-			
	nent	5,269		3,818
11.5	Other personnel compensation	937		680
11.8	Special personal services payments	139		101
11.9	Total personnel compensation	17,976		13,038
12.1	Personnel benefits: Civilian	2,149	***************************************	1,571
13.0	Benefits for former personnel	1,321		966
21.0	Travel and transportation of persons	645	***************************************	162
22.0	Transportation of things	414	***************************************	104
23.1	Standard level user charges	153		83

Total number of full-time permanent positions .......

Full-time equivalent of overtime and holiday hours....

Total compensable workyears:

Full-time equivalent employment...

# REFORESTATION TRUST FUND-Continued

Object Classification (in thousands of dollars)—Continued

Indentificat	tion code 20-8046-0-7-302	1985 actual	1986 est.	1987 est.
23.2	Rental payments to others	360		91
23.3	Communications, utilities, and miscella-			
	neous charges	919		231
24.0	Printing and reproduction	16		4
25.0	Other services	36,484	34,749	9.200
26.0	Supplies and materials	13.289		3,338
31.0	Equipment	1.637		411
32.0	Lands and structures	3,078		773
41.0	Grants, subsidies, and contributions	16		4
42.0	Insurance claims and indemnities	97		24
44.0	Refunds	2		
99.9	Total obligations	78,556	34,749	30,000

### Reduction Pursuant to Public Law 99-177

466

821

40

350

600

#### Program and Financing (in thousands of dollars)

Identificat	ion code 20-8046-6-7-302	1985 actual	1986 est.	1987 est.
	rogram by activities:		1.000	
10.00	Total obligations	•	<i>—</i> 1,290	
F	inancing:			
21.40	Unobligated balance available, start of year			<b>—1,290</b>
24.40	Unobligated balance available, end of year		1,290	1,290
39.00	Budget authority			
R	elations of obligations to outlays:			
71.00	Obligations incurred, net		-1.290	
72.40	Obligated balance, start of year	***************************************		258
74.40	Obligated balance, end of year		258	
90.00	Outlays		-1.032	<b>— 258</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### Allocations and Allotments Received From Other Accounts

Note.-Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows: Agriculture: Agricultural Research Service.

Soil Conservation Service: Watershed and Flood Prevention Operations.

Resource Conservation and Development.

Watershed Planning.

River Basin Surveys and Investigations.

Conservation Reserve.

Farmers Home Administration: Rural Community Fire Protection Grants.

Treasury: "Reforestation Trust Fund.

Transportation: Federal Highway Administration, "Highways trust fund."

Labor: Employment and Training Administration, "Training and employment services."

#### Administrative Provisions, Forest Service

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [252] 245 passenger motor vehicles of which [13] 8 will be used primarily for law enforcement purposes and of which [233] 235 shall be for replacement only; of which acquisition of [161] 148 passenger motor vehicles shall be from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed 2 for replacement only, and acquisition of [43] 58 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft

being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the Forest Service, not in excess of \$400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System appropriation for the emergency rehabilitation of burned-over lands under its jurisdiction. [The Secretary of Agriculture may authorize the expenditure of any no year appropriation available to the Forest Service for emergency actions related to emergency flood repair needs at the Monongahela National Forest and at the Parsons, West Virginia, Research Laboratory: Provided. That funds made available for such emergency actions shall be available for the payment of obligations incurred during the preceding fiscal year funds expended pursuant to this provision must be replenished by a supplemental appropriation which must be requested as promptly as possible.

Appropriations and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).

[The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research, and technical information and assistance in foreign countries.

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest [Provided further, That no less than \$24,000,000 shall be made available to the Forest Service for obligation in fiscal year 1986 from the Timber Salvage Sale Fund appropriation ].

[Provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) shall apply to appropriations available to the Forest Service only to the extent that the proposed transfer is approved by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.

[No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

[Not to exceed \$900,000 shall be available from National Forest System appropriations or permanent appropriations for the specific purpose of removing slash and cull logs from the Bull Run, Oregon, watershed to preserve water quality and reduce fire hazards.]

[None of the funds made available under this Act shall be obligated or expended to adjust annual recreational residence fees to an amount greater than that annual fee in effect at the time of the next to last fee adjustment, plus 50 per centum. In those cases where the currently applicable annual recreational residence fee exceeds that adjusted amount, the Forest Service shall credit to the permittee that excess amount, times the number of years that that fee has been in effect, to offset future fees owed to the Forest Service.]

Current permit holders who acquired their recreational residence permit after the next to last fee adjustment shall have their annual permit fee computed as if they had their permit prior to the next to last fee adjustment, except that no permittee shall receive an un-

earned credit.

[Notwithstanding any delegations of authority provided for in regulations of the Department of Agriculture or in the Forest Service manual, the Chief of the Forest Service shall, personally and without aid of mechanical devices or persons acting on his behalf, execute (1) all deeds conveying federally owned land which exceeds \$250,000 in value, (2) all acceptances of options on lands to be acquired which exceed \$250,000 in value, (3) all recommendations that condemnation be initiated, (4) all letters accepting donations of land, (5) all decisions on appeals of decisions related to land transactions made by regional foresters, and (6) land related transmittals to the House or Senate Committees on Appropriations, including all proposals for congressional action such as the acquisition of lands in excess of the approved appraised value, condemnation actions, and other items covered in reprogramming guidelines.]

[Funds available to the Forest Service shall be available to conduct a program of not less than \$3,400,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.] (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law

99-190.)

### TITLE VI—GENERAL PROVISIONS

SEC. 601. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing

Executive order issued pursuant to existing law.

SEC. 602. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1987 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed three hundred thirty-four (334) passenger motor vehicles, of which three hundred twenty-six (326) shall be for replacement only, and for the hire of such vehicles.

SEC. 603. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefore as author-

ized by law (5 U.S.C. 5901-5902).

Sec. 604. Not less than \$1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

SEC. 605. No part of the funds contained in this Act may be used to make production or other payments to a person, persons, or corporation growing, cultivating, harvesting, processing or storing marijuana, or other such prohibited drug-producing plants on any part of lands

owned or controlled by such persons or corporations.

SEC. 606. Advances of money to chiefs of field parties from any appropriation for the Department of Agriculture may be made by

authority of the Secretary of Agriculture.

Sec. 607. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed \$2,000,000: Provided, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 608. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Public Law 480; Watershed and Flood Prevention Operations; Resource Conservation and Development; Animal and Plant Health Inspection Service, Buildings and Facilities; Agricultural Stabilization and Conservation Service Salaries and Expenses funds made available to county committees; the Federal Crop Insurance Corporation Fund; and Buildings and Facilities, Food and Drug Administration.

SEC. 609. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless

expressly so provided herein.

Sec. 610. Not to exceed \$50,000 of the appropriation available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449

Sec. 611. Notwithstanding any other provision of law, employees of the agencies of the Department of Agriculture, including employees of the Agricultural Stabilization and Conservation county committees, may be utilized to provide part-time and intermittent assistance to other agencies of the Department, without reimbursement, during periods when they are not otherwise fully utilized, and ceilings on full-time equivalent staff years established for or by the Department of Agriculture shall exclude overtime as well as staff years expended as a result of carrying out programs associated with natural disasters, such as forest fires, droughts, floods, and other acts of God.

SEC. 612. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 per centum of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

Sec. 613. None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices as authorized by law.

Sec. 614. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

Sec. 615. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of Standard Level User Charges in excess of the amounts specified in this Act.

Sec. 616. Funds provided by this Act may be used for translation of publications of the Department of Agriculture into foreign languages when determined by the Secretary to be in the public interest.

Sec. 617. Provisions of law prohibiting or restricting personal services contracts shall not apply to veterinarians employed by the Department to take animal blood samples, test and vaccinate animals, and perform branding and tagging activities on a fee-for-service basis.

Note.—A regular 1986 appropriation for the account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

General and special funds-Continued SALARIES AND EXPENSES—Continued

the blind and other severely handicapped and, whenever possible, to prepare them to engage in normal competitive employment. In 1987, 17,395 blind and handicapped individuals are projected to be employed in 355 producing workshops. The committee determines which commodities and services are suitable for Government procurement from qualified nonprofit agencies serving the blind and other severely handicapped; publishes a procurement list of such commodities and services; determines the fair market price for commodities and services on the procurement list; and makes rules and regulations necessary to carry out the purposes of the Act. The committee proposes to have 2,060 items on its procurement list, and estimated workshop sales of \$330 million.

The committee staff supervises the selection and assignment of new commodities and services, assists in establishing prices, reviews and adjusts these prices, verifies the qualifications of workshops, and monitors their performance.

Object Classification (in thousands of dollars)

Identifica	tion code 95-2000-0-1-505	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	405	412	422
11.3	Other than full-time permanent	13	10	13
11.5	Other personnel compensation	3	8	13
11.8	Special personal services payments			6
11.9	Total personnel compensation	421	430	454
12.1	Personnel benefits: Civilian	44	46	49
21.0	Travel and transportation of persons	48	51	58
23.1	Standard level user charges	47	47	53
23.3	Communications, utilities, and miscellane-			
	ous charges	20	26	31
24.0	Printing and reproduction	40	40	43
25.0	Other services	62	78	79
26.0	Supplies and materials	7	9	9
31.0	Equipment	16	3	2
99.9	Total obligations	705	730	778

Personnel Summar	у		
Total number of full-time permanent positions  Total compensable workyears: Full-time equivalent	12	12	12
employment	12	12	12

#### Reduction Pursuant to Public Law 99-177

Program	and	Financing	(in	thousands	of	dollars)	
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ldentificat	ion code 95-2000-6-1-505	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		-31	
	inancing: Budget authority (appropriation)		-31	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>— 31</b>	
72.40	Obligated balance, start of year			-5
74.40	Obligated balance, end of year		5	
90.00	Outlays		<b>—26</b>	- 5

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### COMMODITY FUTURES TRADING COMMISSION

#### Federal Funds

General and special funds:

#### COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed \$25,000 for employment under 5 U.S.C. 3109; \$30,418,000; including not to exceed \$700 for official representation expenses.

Note.—A regular 1986 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) provides funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 198

#### Program and Financing (in thousands of dollars)

Identificat	ion code 95-1400-0-1-376	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
	Direct program:			
00.01	Market surveillance, analysis, and re-			
	search	7,084	7,706	8,004
00.02	Enforcement	10,181	11,043	11,379
00.03	Registration, audits, and contract mar-			
	kets	7,961	8,047	8,462
00.04	Proceedings	2,330	2,444	2,573
00.91	Total direct program	27,556	29,240	30,418
01.01	Reimbursable program	1	20	20
10.00	Total obligations	27,557	29,260	30,438
F	inancing:			
11.00	Offsetting collections from: Federal funds	-1	<b>—20</b>	<b>— 20</b>
25.00	Unobligated balance lapsing	8		
40.00	Budget authority (appropriation)	27,564	29,240	30,418
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	27,556	29:240	30.418
72.40	Obligated balance, start of year	3,984	3,540	2,918
74.40	Obligated balance, end of year	-3,540	-2,918	-3,036
77.00	Adjustments in expired accounts	-122		
90.00	Outlays	27,878	29,862	30,300

SUMMARY OF BUDGET AUTHO	RITY AND	OUTLAYS	
[In thousands of dol	lars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	27,564	29,240	30,418
Outlays	27,878	29,862	30,300
Reduction pursuant to P.L. 99–177:			
Budget authority		<i>—</i> 1,257	
Outlays		-1,134	<b>—</b> 123
Tatal			
Total:	07.504	07.000	00.410
Budget authority	27,564	27,983	30,418
Outlays	27,878	28,728	30,177

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended. The purpose of the CFTC is to further the economic utility of the futures markets by encouraging their efficiency, assuring their integrity, and protecting participants against abusive trade practices, fraud, and deceit. The object of commodity futures trading regulation is to enable the markets to better serve their designated functions of providing a price discovery mechanism and a means of offsetting price risk. By properly serving these functions, the futures markets serve the public interest by contributing toward better planning, more efficient distribution and consumption, and more economical marketing.

Market surveillance, analysis and research.—Responsibilities under this program include daily surveillance of the market activity of large individual traders and fundamental economic market factors to insure orderly markets. Contract terms and conditions are reviewed to insure conformity with current cash marketing conditions and adequate deliverable supplies. This program also systematically investigates the functioning of markets and market users and develops better tools to assist in detecting and preventing price distortions.

	1985 actual	1986 estimate	1987 estimate
Trader and broker reports analyzed (thousands)	573	600	700
Weekly surveillance sheets analyzed	1,902	1,800	2,000
Economic review of contract rule changes complet-			
ed	62	60	65
Economic review of new futures contracts complet-			
ed	7	16	18
Economic review of option rule changes completed	9	15	25
New options contract reviews completed	16	8	14

Enforcement.—The enforcement program is responsible for detecting, investigating, and litigating violations of the Act or regulations. These violations may include actual and attempted market manipulations, cheating and defrauding customers, and abusive trading practices such as fictitious trading, wash trading, and prearranged trading. This program may seek redress through the administrative process or by injunctive actions in the Federal Courts.

Investigations:	1985 actual	1986 estimate	1987 estimate
Open	138	130	130
Closed	125	115	115
Cases:			
Open	83	70	70
Closed	77	60	60

Registration, audits, and contract markets.—This program prevents misuse of customers' funds by futures commission merchants; assures that the rules and practices of the contract markets are in compliance with the provisions of the Commodity Exchange Act and the rules of the Commission; and performs an oversight role of the National Futures Association's registration of individuals and firms under provisions of the act.

	1985 actual	1986 estimate	1987 estimate
Audits and financial inspections of futures commis-			
sion merchants	70	60	65
Contract market rules reviewed	1,394	1,375	1,395
Financial examinations of commodity pool operators.	25	20	20
Registrations	6,632	1,803	7,203
Contract market rule enforcement reviews complet-			
ed	12	16	20
Trade practice investigations completed	44	80	100
Self-Regulatory Organization: Financial rule enforce-			
ment reviews	4	8	8

Proceedings.—The proceedings program provides a forum for resolution of customer complaints against persons or firms registered under the Commodity Exchange Act.

Reparations:	1985 actual	1986 estimate	1987 estimate
Received and docketed	454	550	550
Dismissed	132	150	150
Referred for hearing	414	225	425
Pending	196	527	502

Object	Classification	(in	thousands	οf	dollars)	

Identifica	ation code 95-1400-0-1-376	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	16,931	17,651	17,869
11.3	Other than full-time permanent	293	281	281
11.5	Other personnel compensation	375	420	420
11.8	Special personal services payments	3	8	8
11.9	Total personnel compensation	17,602	18,360	18,578
12.1	Personnel benefits: Civilian	1,961	2,184	2,242
13.0	Benefits for former personnel	60	-,	-,
21.0	Travel and transportation of persons	481	644	644
22.0	Transportation of things	14	15	15
23.2	Rental payments to others	2,961	2,970	4,099
23.3	Communications, utilities, and miscella-	_,00_	2,070	.,000
	neous charges	1,409	1,837	2,062
24.0	Printing and reproduction	219	301	303
25.0	Other services	1.889	1.945	1,675
26.0	Supplies and materials	396	393	395
31.0	Equipment	564	591	405
42.0	Insurance claims and indemnities			
99.0	Subtotal, direct obligations	27,556	29,240	30,418
99.0	Reimbursable obligations	1		20
99.9	Total obligations		29,260	30,438
	Personnel Sum	mary		
	number of full-time permanent positions	567	567	567
	compensable workyears:			
	-time equivalent employment	512	508	508
	l-time equivalent of overtime and holiday			
	hours	8	8	8

#### Reduction Pursuant to Public Law 99-177

## Program and Financing (in thousands of dollars)

	riogram and rmancing (m	tilousanus oi	uoliai 3 j	
Identificat	tion code 95-1400-6-1 376	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		<b>— 1,257</b>	
40.00	inancing: Budget authority (appropriation)		<b>—1,257</b>	****
R	relation of obligations to outlays:			
71.00	Obligations incurred, net		<b>—1,257</b>	
72.40	Obligated balance, start of year			<b>— 123</b>
74.40	Obligated balance, end of year		123	
90.00	Outlays		-1,134	<b>— 123</b>

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### COMMUNITY SERVICES ADMINISTRATION

#### Federal Funds

General and special funds:

COMMUNITY SERVICES PROGRAM

Identificat	tion code 81-0500-0-1-506	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations	43	659	
	inancing: Offsetting collections from: Non-Federal		-5.319	
21.40	Unobligated balance available, start of year	— 702	- 5,519 659	
24.40	Unobligated balance available, end of year	659		

#### Public enterprise funds-Continued

INTEREST RATE SUBSIDY PROGRAM-Continued

Program and Financing (in thousands of dollars) -- Continued

Identificat	tion code 83-4028-2-3-155	1985 actual	1986 est.	1987 est.
	elation of obligations to outlays:			
71.00	Obligations incurred, net			
90.00	Outlays			4,740

The purpose of this interest rate subsidy program is to enable the Bank to respond selectively to confirmed officially subsidized export credit competition, and to further the Administration's efforts to seek international agreement to the elimination of all officially subsidized export credits.

#### FARM CREDIT ADMINISTRATION

#### Federal Funds

#### Public enterprise funds:

#### LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Not to exceed \$39,420,000 (from assessments collected from farm credit system banks) shall be obligated during the current fiscal year for administrative expenses, as authorized under 12 U.S.C. 2249.

Note.—A regular 1986 limitation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 99-190) limits funds to the extent and in the manner provided for in the conference version of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies, 1986.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 78-4131-0-3-351	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations	19,835	30,724	39,420
F	inancing:			
14.00	Offsetting collections from: Non-Federal			
	Sources	<b>— 20,632</b>	<b>— 34,458</b>	<b>— 39,420</b>
	Unobligated balance available, start of year: Fund balance:			
21.98	Unreserved		<b>—827</b>	
21.98	Reserved	<b>— 5,045</b>	<b>-</b> 5,294	<b> 9,855</b>
	Unobligated balance available, end of year: Fund balance:			
24.98	Unreserved	827		
24.98	Reserved	5,294	9,855	9,855
39.00	Budget authority			
Limita	tion	22,092	30,724	39,420
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	<b>— 798</b>	-3,734	
72.10	Receivables in excess of obligations, start			
			-168	-168
72.40	Obligated balance, start of year	1,639		
74.10	Receivables in excess of obligations, end of	100	100	100
	year	168	168	168
90.00	Outlays	1,009	<b>—</b> 3,734	

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

[in thousands of de	maioj		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority			
Outlays	1,009	-3,734	***************************************
Reduction pursuant to P.L. 99-177:			
Budget authority			***************************************

Outlays			
Budget authority			
Authora	1.000		
Outlays	1,009	<b>— 5,055</b>	

The Farm Credit Administration examines and regulates a coordinated agricultural credit system of farm credit banks and associations which lend to farmers, ranchers and their cooperatives.

The System is comprised of 12 Federal land banks, 12 Federal intermediate credit banks, 13 Banks for cooperatives and approximately 700 Federal land bank associations and production credit associations.

Assessments based upon estimated administrative expenses are collected from institutions in the Farm Credit System and are available for administrative expenses. Obligations are incurred within fiscal year budgets approved by the Farm Credit Administration Board.

#### Revenue and Expense (in thousands of dollars) 1

	1985 actual	1986 est.	1987 est.
Operating income or loss:			
Revenue	20.661	30.724	39.420
Expense	-19,171	_30,724	-39,420
Net income for the year	1,490		

### Financial Condition (in thousands of dollars) 1

	1004	1000	1000	1007
	1984 actual	1985 actual	1986 est.	1987 est.
Assets:				
Fund balance with Treasury	6,961	5,952	9,686	9,686
Accounts receivable (net)	3,403	4,300	4,300	4,300
Advances made	307	223	223	223
Total assets	10,671	10,475	14,209	14,209
iabilities:				
Accounts payable including funded				
accrued liabilities	4,884	3,226	3,226	3,226
Advances from the public	5,045	5,294	9,855	9,855
Total liabilities	9,929	8,520	13,081	13,081
Government equity:				
Unexpended balances:				
Unobligated balance:	077	207		
Unreserved	277	827	0.055	
Reserved	5,045	5,294	9,855	9,855
Undelivered orders	465	1,128	1,128	1,128
Onlinea customers orders	5,045			
Total Government equity	742	1,955	1,128	1,128
Analysis of changes in Government e Retained income:	quity:			
Opening balance		742	1,955	1,128
Transactions: Net operating income		1,490		
Refund of prior period assessments		277	-827	
Closing balance		1,955	1,128	1,128
Total Government equity (end	of year)	1,955	1,128	1,128

 $^{1}$  The 1986 data presented in the preceding tables do not reflect the impact of P.L. 99–177, the Balanced Budget and Emergency Deficit Control Act of 1985.

#### Object Classification (in thousands of dollars)

Identificat	ion code 78-4131-0-3-351	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	10.252	14.755	19,365
11.3	Other than full-time permanent	753	704	774
11.5	Other personnel compensation	182	345	403

447	340	85	Special personal services payments	11.8
20,989	16,144	11,272	Total personnel compensation	11.9
4.049	2,844	1,548	Personnel benefits: Civilian	12.1
	***************************************	46	Benefits for former personnel	13.0
6.404	4.196	2,023	Travel and transportation of persons	21.0
151	117	113	Transportation of things	22.0
			Communications, utilities, and miscellane-	23.3
1,025	771	998	ous charges	
323	307	297	Printing and reproduction	24.0
4,765	4,018	2,175	Other services	25.0
1.003	855	604	Supplies and materials	26.0
711	1,472	759	Equipment	31.0
39,420	30,724	19,835	Total obligations	99.9

#### Personnel Summary

Total number of full-time permanent positions	287	417	566
Total compensable workyears:			
Full-time equivalent employment	296	440	589
Full-time equivalent of overtime and holiday			
hours	2	3	3

#### Reduction Pursuant to Public Law 99-177

#### Program and Financing (in thousands of dollars)

Identificat	tion code 78-4131-6-3-351	1985 actual	1986 est.	1987 est.
10.00	Program by activities: Total obligations		-1,321	
25.00 39.00	inancing:  Reduction in new spending authority (off-setting collections)  Budget authority		1,321	
R 71.00	elation of obligations to outlays: Obligations incurred, net		-1,321	
90.00	Outlays		-1,321	

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

#### CAPITAL CORPORATION INVESTMENT FUND

#### Program and Financing (in thousands of dollars)

Identificati	ion code 78-4136-0-3-351	1985 actual	1986 est.	1987 est.
Fi	inancing:			
21.98	Unobligated balance available, start of year: Fund balance	<b>— 259,799</b>	<b>— 259,799</b>	<b>— 259,799</b>
24.98	Unobligated balance available, end of year: Fund balance	259,799	259,799	259,799
39.00	Budget authority			
71.00	elation of obligations to outlays: Obligations incurred, net			
90.00	Outlays			

The Farm Credit Amendments Act of 1985 merges the Banks for Cooperatives and short-term credit investment funds, and makes available to the Farm Credit Administration this fund for the purchase, on behalf of the United States, of capital stock of the Farm Credit System Capital Corporation.

#### FEDERAL COMMUNICATIONS COMMISSION

#### Federal Funds

General and special funds:

#### SALARIES AND EXPENSES

For necessary expenses for the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by law (5 U.S.C. 5901-02); not to exceed \$700,000 for land and structures; not to exceed \$200,000 for improvement and care of grounds and repair to buildings; not to exceed \$3,000 for official reception and representation expenses; purchase (not to exceed ten) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; [\$94,400,000] \$96,363,000. Not to exceed \$300,000 of the foregoing amount shall remain available until September 30, [1987] 1988, for research and policy studies. (The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986.)

#### Program and Financing (in thousands of dollars)

Identificat	ion code 27-0100-0-1-376	1985 actual	1986 est.	1987 est.
P	rogram by activities:			
	Direct program:			
00.01	Commissioners	2.276	2.169	2,197
00.02	Mass media	21,857	21,660	22,022
00.03	Common carrier	18,678	18,753	19,388
00.04	Private radio	9,732	9,502	9,770
00.05	Field operations	20,123	20,234	20,227
00.06	Science and technology	6,949	5,966	6,105
00.07	Support	15,787	16,799	16,654
00.91	Total direct program	95,402	95,083	96,363
01.01	Reimbursable program	507	700	700
10.00	Total obligations	95,909	95,783	97,063
F	inancing:			
	Offsetting collections from:	400	050	050
11.00	Federal funds	<b>-466</b>	-650	-650
14.00	Non-Federal sources	-41	- 50	<b>—</b> 50
21.40	Unobligated balance available, start of year	-689	-683	
24.40	Unobligated balance available, end of year	683		
25.00	Unobligated balance lapsing	45		
40.00	Budget authority (appropriation)	95,441	94,400	96,363
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	95,402	95.083	96,363
72.40	Obligated balance, start of year	7,895	9,320	7,572
74.40	Obligated balance, end of year	<b>- 9.320</b>	-7.572	-8.073
77.00	Adjustments in expired accounts	-116		
90.00	Outlays	93,861	96,831	95,862

### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dol	lars]		
	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	95,441	94,400	96,363
Outlays	93,861	96,831	95,862
Reduction pursuant to P.L. 99-177:			
Budget authority		<b>-4,059</b>	
Outlays		-3,779	- 280
,			
Total:			
Budget authority	95,441	90,341	96,363
Outlays	93,861	93,052	95,582
•			

*Commissioners.*—This activity includes the top adjudicatory, policymaking, planning, and decision-making for the Commission's basic functions.

Mass media.—This activity licenses and regulates broadcasting (AM, FM, TV) and its associated auxiliary services. This activity also is responsible for regulating cable television and its associated auxiliary services. In

#### EXPLANATION OF REQUESTS

This part contains supplemental appropriations requests for 1986 being proposed for congressional consideration in this budget. Requests for supplemental appropriations are usually made after enactment of regular appropriations. In cases where programs are funded under a continuing resolution, some requests are included to supplement the funding available under the resolution. Information is also included on proposals to rescind budget authority and to rescind or otherwise reduce the availability of other budgetary resources.

#### PROPOSED SUPPLEMENTAL REQUESTS

Supplemental requests are shown as separate sections.

Section I.—Supplementals proposed in this budget for various purposes are presented in this section and usually include: suggested appropriation language, the related budget schedules, and the reasons for the requests. In some cases, language is proposed to reduce mandatory program levels (entitlements, for example)

included in authorizing legislation. In such cases, separate budget schedules are not shown, but the reduced funding levels that would result are reflected in the regular budget schedules for the account in Part I. Language is also included to propose reductions in enacted direct loan and guaranteed loan limitations. A status of direct loans or status of guaranteed loans schedule will show the changes in credit activity resulting from the lower limitation.

#### RESCISSION PROPOSALS

Section II.—Under the provisions of the Impoundment Control Act of 1974 (Public Law 93-344), whenever the President proposes rescission of enacted appropriations, a special message must be sent to the Congress giving details of the proposal. Included in this part—for rescission proposals being made in conjunction with this budget—are related budget schedules, references to the special message being sent to the Congress, and explanations of the proposals.

# PROPOSED SUPPLEMENTALS AND RESCISSION PROPOSALS

# SUMMARY OF PROPOSED SUPPLEMENTALS AND RESCISSION PROPOSALS

	1986 requests			1986 re	1986 requests	
	1986 budget authority	Associated requests not affecting budget authority		1986 budget authority	Associated requests not affecting budget authority	
PROPOSED SUPPLEMENTAL ACTIONS  SECTION 1—PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR VARIOUS PROGRAMS [EXCLUDING REQUESTS FOR INCREASED PAY COSTS]			SECTION 1—PROPOSED SUPPLEMENTAL APPROPRIA- TIONS FOR VARIOUS PROGRAMS [EXCLUDING RE- QUESTS FOR INCREASED PAY COSTS]—Continued Other independent agencies	57,948,000		
Legislative branch	88,663,000 7,046,000 250,000,000		Total, Supplemental requests	1,936,967,000	200,000	
Department of Agriculture	237,298,000 40,000,000	transfer language	Funds Appropriated to the President  Department of Agriculture  Department of Commerce	-39,760,000 -1,062,681,000 -196,632,000		
Department of Education		language language reflects rescission	Department of Education Department of Health and Human Services Department of Housing and Urban Development	-1,080,200,000 -787,417,000 4,625,677,000		
Department of Housing and Urban Development Department of the Interior Department of Justice	503,517,000 311,713,000 10,620,000		Department of the Interior  Department of Justice  Department of Labor	-116,104,000 -122,109,000 -416,037,000		
Department of Labor	74,000,000 706,866,000 — 46,700,000		Department of Transportation	- 356,051,000 - 788,395,000 - 26,796,000 - 600,000,000		
Department of the Treasury	340,000,000	200,000 language	Other independent agencies	-91,199,000 -10,309,058,000		
Veterans Administration	363,000,000		Grand total	-8,372,091,000		

# FEES OF JURORS AND COMMISSIONERS—Continued

	rrogram and rmaneing (in thousan	ido or dollaro)	oomanaoa	
Identificat	tion code 10-0925-0-1-752	1985 actual	1986 est.	1987 est.
74.40	Obligated balance, end of year		<b>-2,360</b>	
90.00	Outlays		1,440	2,360

This supplemental request would provide for the requirement for additional grand and petit jurors.

#### Object Classification (in thousands of dollars)

Identifica	ation code 10-0925-1-1-752	1985 actual	1986 est.	1987 est.
11.8	Personnel compensation: Special personal			
	services payments		2,449	
21.0	Travel and transportation of persons		1.190	
25.1	Other services		138	
26.0	Supplies and materials		23	
99.9	Total obligations		3,800	

#### STUDY OF CONSTRUCTION OF OFFICE BUILDING

(Supplemental now requested, existing legislation)

For an amount necessary to enable the Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, to study alternatives for the construction of a building or buildings to meet the current and future needs of the Judicial Branch and such other commercial, governmental, cultural, educational, and recreational activities which may appropriately be located in such building or buildings, \$2,000,000, to remain available until expended.

#### Program and Financing (in thousands of dollars)

Identificat	ion code 10-0105-1-1-752	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations (object class 25.0)		2,000	
F 40.00	inancing: Budget authority (appropriation)		2,000	
	elation of obligations to outlays:			
71.00	Obligations incurred, net		2,000	
90.00	Outlays		2,000	

This proposal would provide funds to make a preliminary study for the construction of a building to meet the present and future office space needs of the Judiciary.

# Funds Appropriated to the President

DISASTER RELIEF

(Supplemental now requested, existing legislation)

For an additional amount for "Disaster relief", \$250,000,000, to remain available until expended.

#### Program and Financing (in thousands of dollars)

Identification code 11-0039-1-1-453	1985 actual	1986 est.	1987 est.
Program by activities:			
10.00 Total obligations		250,000	
Financing:			
40.00 Budget authority (appropriation)	• •••••	250,000	

R	elation of obligations to outlays:		
71.00	Obligations incurred, net	 250,000	
72.40	Obligated balance, start of year	 	125,000
74.40	Obligated balance, end of year	 -125,000	- 50,000
90.00	Outlays	 125,000	75,000

This supplemental appropriation would provide funds to alleviate the suffering and damage that results from disasters. The large number and magnitude of disasters during the latter part of 1985, along with on-going requirements for previously declared disasters, have resulted in greater than anticipated demand for disaster assistance funds.

#### Object Classification (in thousands of dollars)

Identifica	tion code 11-0039-1-1-453	1985 actual	1986 est.	1987 est.
25.0 41.0	Other services		37,500 212,500	
99.9	Total obligations	***************************************	250,000	

# Department of Agriculture FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

(Supplemental language now requested, existing legislation)

During fiscal year 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed \$1,427,600,000.

### Status of Direct Loans (in thousands of dollars)

Identifica	Identification code 12-4141-1-3-371		1986 est.	1987 est.
1111	Position with respect to appropriations act limitation on obligations: Limitation on direct loans to the public		700,000	
1150	Total direct loan obligations		_700,000	
	Cumulative balance of direct loans out- standing:			
1210 1231 1254	Outstanding, start of year Disbursements: Direct loan disbursements Repayments: Loan asset sales to the FFB		-361,000 361,000	
1290	Outstanding, end of year	••••••		

RURAL HOUSING INSURANCE FUND, FFB LOAN ASSET PURCHASES (Supplemental language now requested, existing legislation)

#### Status of Direct Loans (in thousands of dollars)

C	dummulative balance of direct loans out- standing:		
1210	Outstanding, start of year		-361,000
1231	Disbursements: Direct loan disbursements	 <u>-361,000</u>	
1290	Outstanding, end of year	 - 361,000	- 361,000

The proposed reduction in direct lending is part of an overall proposal to transfer the responsibility for rural housing to the Department of Housing and Urban Development's voucher program. Historically, the Farmers Home Administration has been able to meet the housing needs of very low-income households due to income

constraints. An accompanying rescission of budget authority is found elsewhere in Part II.

# AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

(Supplemental now requested, existing legislation)

#### SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", \$71,598,000, to be derived by transfer from the Commodity Credit Corporation fund.

#### Program and Financing (in thousands of dollars)

Identificat	tion code 12-3300-1-1-351	1985 actual	1986 est.	1987 est.
P	Program by activities:			
00.01	Program formulation and appraisal		2,721	
00.02	Operation of supply adjustment, conserva- tion, and price support programs		61,510	
00.03	Inventory management and merchandising		7,367	
10.00	Total obligations		71,598	
F 11.00	inancing: Offsetting collections from: Federal funds:			
	Commmodity Credit Corporation		71,598	
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net			
90.00	Outlays			

This supplemental request would provide transfer authority to cover increased administrative costs related to the implementation of the Food Security Act of 1985; as well as for increased costs to carry out record commodity loan making and forfeiture activity in Agricultural Stabilization and Conservation Service county offices and in Kansas City field offices.

Object Classification (in thousands of dollars)

Identifica	tion code 12-3300-1-1-351	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.3	Other than full-time permanent		2,727	
11.5	Other personnel compensation		1,962	
11.9	Total personnel compensation		4,689	
12.1	Personnel benefits: Civilian		276	
21.0	Travel and transportation of persons		122	,
22.0	Transportation of things		379	
23.1	Standard level user charges		33	
23.3	Communications, utilities, and miscellane-			
	ous charges		26	
24.0	Printing and reproduction		63	
25.0	Other services		1,828	
26.0	Supplies and materials		49	
31.0	Equipment		23	
41.0	Grants, subsidies, and contributions		64,110	
99.9	Total obligations		71,598	
	Personnel Sum	mary		
	number of full-time permanent positions			
Total	compensable workyears: Full-time equivalent			
emp	oloyment		169	

#### COMMODITY CREDIT CORPORATION

COMMODITY CREDIT CORPORATION FUND

(Supplemental now requested, existing legislation)

For reimbursement of the Commodity Credit Corporation for net realized losses sustained or anticipated, but not previously reimbursed, such sums as may be necessary are available in this and subsequent years, as authorized by the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12).

#### Program and Financing (in thousands of dollars)

Identifica	tion code 12-4336-1-3-351	1985 actual	1986 est.	1987 est.
P	Program by activities:			
10.00	Operating expense, interest (total obligations) (object class 25.0)		71,598	
F	inancing:			
39.00	Budget authority		71,598	
	Budget authority:			
40.00	Appropriation: Reimbursement for			
10.00	net realized losses (indefinite)		7,950,000	
40.47	Portion applied to debt reduction		<b>—7,950,000</b>	
43.00	Appropriation (adjusted)			
47.10	Authority to borrow		71,598	
	delation of obligations to outlays:			
71.00	Obligations incurred, net		71.598	
90.00	Total outlays		71,598	

This proposal would provide funds to reimburse the Commodity Credit Corporation (CCC) for net realized losses. This request is needed to finance record fiscal year 1986 CCC outlays that, without the requested supplemental, would exhaust CCC borrowing authority in late January 1986. This request would also finance increased Agricultural Stabilization and Conservation Service administrative costs related to implementation of the Food Security Act of 1985 and record commodity loanmaking and forfeiture activity.

#### FOREST SERVICE

NATIONAL FOREST SYSTEM

(Supplemental now requested, existing legislation)

For an additional amount for "National Forest System", \$165,700,000.

#### Program and Financing (in thousands of dollars)

Identifical	tion code 11-1106-1-1-302	1985 actual	1986 est.	1987 est.
Р	Program by activities:			
10.00	Land and resource protection (total obligations)		165,700	
40.00	inancing: Budget authority (appropriation)		165,700	
R	elation of obligations to outlays:			_
71.00	Obligations incurred, net		165,700	
90.00	Outlays		165,700	***************************************

These funds would be used to provide for the costs of fighting forest fires in 1985.

# NATIONAL FOREST SYSTEM—Continued Object Classification (in thousands of dollars)

Identifica	tion code 11-1106-1-1-302	1985 actual	1986 est.	1987 est.
	Personnel compensation:	-		
11.1	Full-time permanent		8,286	
11.3	Other than full-time permanent		4,785	
11.5	Other personnel compensation		45,916	
11.8	Special personal services payments		13,540	
11.9	Total personnel compensation		72,527	
12.2	Personnel benefits: Civilian		3,206	
13.0	Benefits for former personnel		688	
21.0	Travel and transportation of persons		11,971	
22.0	Transportation of things		2,285	
23.1	Standard level user charges		26	
23.2	Rental payments to others		46	
23.3	Communications, utilities, and miscellane-			
	ous charges		1,755	
24.0	Printing and reproduction		20	
25.0	Other services (contractual)		48,631	
26.0	Supplies and materials		23,195	
31.0	Equipment		1,263	
32.0	Lands and structures		6	
42.0	Insurance claims and indemnities		71	
43.0	Interest and dividends			
44.0	Refunds		10	
99.9	Total obligations		165,700	
	Personnel Sum	mary		
	Personnel Sum number of full-time permanent positions compensable workyears:			

# Department of Commerce [ECONOMIC DEVELOPMENT] GENERAL ADMINISTRATION

1,538

Full-time equivalent employment ......

Full-time equivalent of overtime and holiday pay . .....

GRANTS AND LOAN ADMINISTRATION

(Supplemental now requested, existing legislation)

For an additional amount for "Grants and loans administration", for the necessary expenses of administering outstanding grants, loans, and loan guarantees for discontinued programs assigned to the Secretary of Commerce, \$40,000,000, to be derived by transfer from "Economic development assistance programs", to remain available until expended.

#### Program and Financing (in thousands of dollars)

dentificat	ion code 13-0125-1-1-452	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
10.00	Total obligations			21,591
F	inancing:			
21.98	Unobligated balance available, start of year			-40,000
24.98	Unobligated balance available, end of year		40,000	18,409
25.00	Unobligated balance lapsing		40,000	
39.00	Budget authority		80,000	
В	udget authority:			
42.00	Transferred from other accounts		40,000	
43.00	Appropriation (adjusted)		40,000	
50.00	Reappropriation		40,000	***************************************
R	elation of obligations to outlays:			
71.00	Obligations incurred, net	***************************************		21,591
72.40	Obligated balance, start of year			,

74.40	Obligated balance, end of year	 	
90.00	Outlays	 	19,000

This proposal would provide funds to close out discontinued grant and loan programs that are assigned to the Secretary of Commerce.

#### Object Classification (in thousands of dollars)

Identifica	ation code 13-0125-1-1-452	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full time permanent			12,085
11.5	Other personnel compensation			100
11.9	Total personnel compensation			12,185
12.1	Personnel benefits: Civilian			1,461
13.0	Benefits for former personnel			3,590
21.0	Travel and transportation			713
22.0	Transportation of things			120
23.1	Standard level user charges			989
23.2	Rental payments to others			
23.3	Communications, utilities, and miscellane-			
	ous charges			70
24.0	Printing and reproduction			5
25.0	Other services			1,72
26.0	Supplies and materials			56
99.9	Total obligations			21,59

#### Personnel Summary

reisonner sum	illai y	
Direct:		
Total number of full-time permanent positions		 294
Total compensable workyears:		
Full-time equivalent employment		 292
Full-time equivalent of overtime and holiday		
hours		 2
Reimbursable:		
Total compensable workyears: Full-time equiva-		
lent employment		 2

#### ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(Supplemental language now requested, existing legislation)

During fiscal year 1986, commitments to guarantee loans may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed \$30,410,000.

Identificat	ion code 13-2050-1-1-452	1985 actual	1986 est.	1987 est.
	rogram by activities:		- 40.000	
10.00	Total obligations (object class 41.0)	•••••	- 40,000	***************************************
39.00	inancing: Budget authority		40,000	
В	udget authority:			
40.00	Appropriation			***************************************
41.00	Transferred to other accounts		40,000	
43.00	Appropriation (adjusted)		-40,000	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-40,000	
72.40	Obligated balance, start of year			-36,000
74.00	Obligated balance, end of year		36,000	28,000
90.00	Outlays		-4,000	8,000

These appropriations are derived from receipts already collected and held in the Commission's fund.

#### Object Classification (in thousands of dollars)

Identifica	tion code 95-5190-1-2-403	1985 actual	1986 est.	1987 est.
41.0 42.0	Grants, subsidies and contributions		1,119 24,500	
99.9	Total obligations		25,619	

#### UNITED STATES INFORMATION AGENCY

#### SALARIES AND EXPENSES

(Supplemental now requested, existing legislation)

For an additional amount of "Salaries and expenses",
\$17,326,000, to remain available until expended.

### Program and Financing (in thousands of dollars)

Identificat	tion code 67-0201-1-1-154	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Overseas missions		12,296	
00.02	Program coordination, production, and sup- port		5,030	
10.00	Total obligations		17,326	
F	inancing:			
40.00	Budget authority		17,326	
71.00	Obligations incurred, net		17,326	
72.40	Obligated balance, start of year			11,926
74.40	Obligated balance, end of year		-11,926	<b>— 26</b>
90.00	Outlays		5,400	11,900

This supplemental proposal would provide the funds needed to carry out the President's U.S.-U.S.S.R. cultural accords and to establish a television station in Berlin (RIAS-TV).

#### Object Classification (in thousands of dollars)

Identifica	tion code 67-0201-1-1-154	1985 actual	1986 est.	1987 est.
11.1	Personnel compensation: Full-time perma-			
	nent		231	
12.1	Personnel benefits: Civilian		59	
21.0	Travel and transportation of persons		149	
22.0	Transportation of things		60	
23.3	Communications, utilities, and miscellane-			
	ous charges		147	
24.0	Printing and reproduction		915	
25.0	Other services		2,153	
26.0	Supplies and materials		170	
31.0	Equipment		312	
41.0	Grants, subsidies, and contributions		13,130	
99.9	Total obligations		17,326	
	Personnel Sum	nmary		
	number of full-time permanent positions compensable workyears: Full-time equivalent		17	
	oloyment		11	

# SECTION II RESCISSION PROPOSALS

# Funds Appropriated to the President MULTILATERAL ASSISTANCE

International Organizations and Programs
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identificat	ion code 11-1005-5-1-151	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations (object class 41.0)		<b>—39,760</b>	
40.00 F	inancing:  Budget authority (appropriation rescission proposal (R86–1)		<b>— 39,760</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b>— 39,760</b>	
72.40 74.40	Obligated balance, start of year		12.391	—12,931
74.40	Obligated balance, end of year		12,391	
90.00	Outlays		<b>— 26,829</b>	<b>—12,931</b>

This rescission proposal would reduce the 1986 appropriation for international organizations and programs to the Administration's 1986 request level for all programs except the International Fund for Agricultural Development.

# AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

RURAL CLEAN WATER PROGRAM (Rescission proposal)

Program and Financing (in thousands of dollars)

Identificat	ion code 12-3337-5-1-304	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations (object class 41.0)		<b>−</b> €,900	
23.40	inancing: Unobligated balance rescission proposal (R86–2)		6,000	
39.00	Budget authority		•••••	•••••
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		<b></b> 6,000	
72.40	Obligations balance, start of year			6.000
74.40	Obligations balance, end of year		6,000	6,000
90.00	Outlays			

This rescission proposal reflects a decline in the inflation rate and a lower level of farmer participation due to a depressed farm economy that has reduced the cost of completing the 21 approved projects.

# AGRICULTURAL CONSERVATION PROGRAM (Rescission proposal)

farmers (total obligations) (object	1985 actual	1986 est.	1987 est.
		-140,839	

### AGRICULTURAL CONSERVATION PROGRAM-Continued

Program	and	Financing	(in	thousands	of	dollars	—Continued
1 TOKTAIII	and	1 mancing	/ 1111	uiousanus	O.	uonars	/ Continued

Identificat	tion code 12-3315-5-1-302	1985 actual	1986 est.	1987 est.
Financing: 40.00 Budget authority (appropriation rescis-			-140,839 -140,839 -97,46 97,462 17,01	
70.00	sion proposal R86–3)		<b>— 140,839</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-140,839	
72.40	Obligated balance, start of year			97,462
74.40	Obligated balance, end of year		97,462	17,010
90.00	Outlays		<b> 43,377</b>	80,452

This proposal reflects the policy of privatization of government functions best left to the private sector when possible. Responsibility for the maintenance of the productivity and profitability for the individual farm is primarily the responsibility of its owner, who has an economic stake in preserving its productivity. Finally, financial assistance under the Food Security Act of 1985 should be concentrated on the longer term conversion of cropland that meets strict criteria for entry into a Conservation Reserve Program.

# WATER BANK PROGRAM (Rescission proposal)

#### Program and Financing (in thousands of dollars)

Identilicat	tion code 12-3320-5-1-302	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations (object class 41.0)		-8.371	-
	inancing:	***************************************	0,071	***************************************
40.00	Budget authority (appropriation rescission proposal R86–4)		<b>-8,371</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		8,371	***************************************
72.40	Obligated balance, start of year		***************************************	-7,327
74.40	Obligated balance, end of year		7,327	6,465
90.00	Outlays		-1,044	<b>— 862</b>

This proposal reflects the fact that the major program thrust for waterfowl habitat protection is in the Department of the Interior, which has a dedicated source of funding for waterfowl habitat preservation authorized by the Migratory Bird Conservation Act. Finally, the "swampbuster provision" of the Food Security Act of 1985 would deny farm benefits to producers who convert wetlands to crop use in the future, except where the impact of the action is found to be minimal.

# Dairy Indemnity Program (Rescission proposal)

### Program and Financing (in thousands of dollars)

Identification code $12-3314-5-1-351$	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Total obligations (object class 41.0)		<b>— 95</b>	
Financing: 40.00 Budget authority (appropriation rescis-		0.5	
sion proposal R86-5)	***************************************	- 95	***************************************

R	elation of obligations to outlays:		
71.00	Obligations incurred, net	 -95	
90.00	Outlays	 	

This proposal reflects the fact that the Dairy Indemnity Program is a low priority program for which no 1986 claims for losses were filed prior to September 30, 1985. The \$95 thousand provided in 1986 was not requested in the President's Budget. Rescission of these funds is proposed in order to contribute to deficit reduction. The funds provided by this appropriation address a problem which is of limited scope and about which there are differences of opinion concerning the proper role of the Government.

### RURAL ELECTRIFICATION ADMINISTRATION

Rural Electrification and Telephone Revolving Fund reimbursement to the rural electrification and telephone revolving fund

(Rescission proposal)

#### Program and Financing (in thousands of dollars)

Identilicati	ion code 12-3101-5-1-271	1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Reimbursement for interest subsidies and losses (total obligations) (object class 33.0)		-100,000	
40.00	inancing: Budget authority (appropriation rescission proposal R86–6)		-100,000	
71.00	elation of obligations to outlays: Obligations incurred, net		-100,000	-
90.00	Outlays		-100,000	

This rescission proposal would reduce 1986 budget authority by the amount made available to reimburse the Rural Electrification and Telephone Revolving Fund for interest subsidies and losses incurred in 1984. This reimbursement to the Revolving Fund is not necessary since the fund's actual interest income exceeds its interest expense in 1984.

The Federal Government, however, incurred a loss of at least \$100 million in 1984 from REA loans because REA direct loan interest rates are below the cost of Government borrowing. An appropriation to reimburse the Revolving Fund would continue a costly subsidy. The only way to cover this loss to the Government and the taxpayer is to raise REA direct loan interest rates to the cost of Government borrowing. This would be in accord with the original statute establishing the REA loan program, which set interest rates at and above Treasury cost of borrowing.

### Purchase of Rural Telephone Bank Capital Stock (Rescission proposal)

Identification code 12–3102–5–1–452	1985 actual	1986 est.	1987 est.
Program by activities:			
10.00 Total obligations (object class 33.0)		-28.710	

	inancing:  Budget authority (appropriation rescission proposal R86–7)	 <b>— 28,710</b>	
71.00	Relation of obligations to outlays: Obligations incurred, net	 - 28,710	
90.00	Outlays	 <b>—28,710</b>	

The 1986 appropriation for the Federal purchase of Bank stock is proposed for rescission. The Federal Government has already provided the \$300 million in capital called for in the original statute establishing the Bank. These funds only begin to be repaid starting in 1995. The Bank has the authority to raise funds in private credit markets on the \$300 million capital base provided by the Federal Government, and it is authorized to borrow without limitation from the U.S. Treasury at the same interest rate the Treasury pays, with 50-year repayment terms. Even without the capital proposed for rescission, the Bank would continue to be heavily subsidized with taxpayer dollars, and rural telephone borrowers would continue to enjoy low-cost money. The Banks's current lending rate is 9.0 percent. This proposal would not affect the Bank's lending levels or outlays, nor would it reduce the total budgetary resources available to the Bank.

#### FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND (Rescission proposal)

Program and Financing (in thousands of dollars)

Identifica	tion code 12-4141-5-3-371	1985 actual	1986 est.	1987 est.
P	Program by activities:			
	Capital investment:			
00.01	Loans obligated		<b>—700,000</b>	
00.03	Advances on behalf of borrowers			<u>-400</u>
00.91	Total capital investment		<b>—700,000</b>	<b>-400</b>
	Operating expenses:			
01.02	Interest on certificates of beneficial			
	ownership		-17,676	- 36,826
01.06	Interest on borrowings		<b>—700</b>	-11,100
01.91	Total operating expenses		18,376	<b>—47,926</b>
10.00	Total obligations		<u>-718,376</u>	<b>—48,326</b>
F	inancing:			
11.00	Offsetting collections from:			
	Federal funds: Sale of certification of			
	beneficial ownership		361,000	
	Non-Federal sources:			
14.00	Repayments on loans held by the			
14.00	fund		2,000	11,000
14.00	Repayments on advances		3.900	200 13,200
32.47	Balance of authority to borrow withdrawn	***************************************	3,300	23,926
	· ·			
40.00	Budget authority (appropriation			
	rescission proposal R86-8)		<b>— 351,476</b>	••••••
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-351,476	- 23,926
	Obligated balance, start of year:			
72.47	Authority to borrow			-331,476
72.98				-3,900
74.47	Obligated balance, end of year: Authority to borrow		331,476	355,402
74.47	Authority to borrow		331,4/0	333,402

74.98 90.00	Fund balance  Outlays  Object Classification (in the		3,900 —16,100	225,812 229,712
Identificat	tion code 12-4141-5-3-371	1985 actual	1986 est.	1987 est.
33.0 43.0	Investments and loans		700,00 18,376	- 400 - 47,926
99.9	Total obligations		<b>—718,376</b>	<b>—48,326</b>

# Rural Housing Insurance Fund, FFB Loan Asset Purchases (Rescission proposal)

#### Program and Financing (in thousands of dollars)

Identification code 12-7104-5-4-371	1985 actual	1986 est.	1987 est.
Program by activities: 10.00 Loan asset purchases (object class 33.0)		_361,000	
Financing: 47.10 Budget authority (authority to borrow	w		
rescission proposal R86–8)		- 361,000	
Relation of obligations to outlays:		.,2	
71.00 Obligations incurred, net		-361,000	
90.00 Outlays		<b>— 361,000</b>	

These rescissions are proposed to permit the transfer of responsibility for rural housing to the Department of Housing and Urban Development's voucher program. Historically, the Farmers Home Administration loan program has been unable to meet the housing needs of very low income households due to income constraints. This rescission is accompanied by proposed supplemental language elsewhere in Part II to reduce the direct lending program.

# RURAL DEVELOPMENT LOAN FUND (Rescission proposal)

Program and Financing (in thousands of dollars)

Identificat	ion code 12-4233-5-3-452	1985 actual	1986 est.	1987 est.
F	inancing:			
21.98	Unobligated balance available, start of year: Fund balance			13,674
23.98	Unobligated balance rescission proposal (R86–10)		13,674	
24.98	Unobligated balance available, end of year: Fund balance		<b>— 13,674</b>	—13,674
39.00	Budget authority			
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		•••••	
90.00	Outlays			

This schedule reflects the activities of Rural Development Loan Fund being transferred from the Department of Health and Human Services, by authority of Public Law 99-198.

#### SOIL CONSERVATION SERVICE

Watershed and Flood Prevention Operations (Rescission proposal)

Program and Financing (in thousands of dollars)

Identificat	tion code 12-1072-5-1-301	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Watershed operations authorized by Public			
	Law 534		-6,360	
00.03	Emergency watershed protection operations		<b> 6,983</b>	
00.04	Small watershed operations authorized by			
	Public Law 566		47,058	
10.00	Total obligations		-60,401	
F	inancing:			
40.00	Budget authority (appropriation rescis-			
	sion proposal R86-11)		<b>-60,401</b>	••••••
R	relation of obligations to outlays:			
71.00	Obligations incurred, net		-60,401	
72.40	Obligated balance, start of year			- 42,28
74.40	Obligated balance, end of year		42,281	15,10
90.00	Outlays		-18.120	-27.18

This rescission is proposed to begin terminating the Watershed and Flood Prevention operations during 1986. No new contracts would be signed after February 1, 1986.

### Object Classification (in thousands of dollars)

	(iii iiidddiidd (ii ddiidio)					
Identilica	ation code 12-1072-5-1-301	1985 actual	1986 est.	1987 est.		
25.0 41.0	Other services		- 30,200 - 30,201			
99.9	Total obligations		<b>— 60,401</b>			

# Great Plains Conservation Program (Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code 12-2268-5-1-302		1985 actual	1986 est.	1987 est.
10.00	rogram by activities: Total obligations		-6,606	
40.00	inancing:			
40.00	Budget authority (appropriation rescission proposal R86–12)		6,606	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-6,606	
72.40	Obligated balance, start of year			-6,606
74.40	Obligated balance, end of year		6,606	5,026
90.00	Outlays			-1,580

This rescission is proposed to reflect the termination of the Great Plains Conservation Program during 1986. No new contract would be signed after February 1, 1986. Remaining program funds would be used to pay severance pay and other costs associated with terminating those employees assigned to this program.

### Object Classification (in thousands of dollars)

Identilicat	ion code 12-2268-5-1-302	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent		-1,129	

11.3	Other than full-time permanent		33	
11.5	Other personnel compensation			***************************************
11.0	other personner compensation			
11.9	Total personnel compensation		-1,169	
12.1	Personnel benefits: Civilian		<b>— 273</b>	
13.0	Benefits for former personnel		2,649	
21.0	Travel and transportation of persons		—18	
22.0	Transportation of things		_7	
23.2	Rental payments to others		<b>— 17</b>	
23.3	Communications, utilities, and miscellane-			
	ous charges		-22	
24.0	Printing and reproduction		-3	
25.0	Other services		-138	
26.0	Supplies and materials		20	
31.0	Equipment		<b> 46</b>	
41.0	Grants, subsidies, and contributions		<b></b> 7,542	
99.9	Total obligations		-6.606	
33.3	Total obligations	***************************************	- 0,000	***************************************

#### FOOD AND NUTRITION SERVICE

FOOD DONATIONS PROGRAM (Rescission proposal)

Program and Financing (in thousands of dollars)

Identificat	ion code 12-3503-5-1-605	1985 actual	1986 est.	1987 est.
	rogram by activities: Total obligations		<b>-5,183</b>	
40.00	inancing:  Budget authority (appropriation rescission proposal R86–13)		<b>-5,183</b>	
R	elation of obligations to outlays:			
71.00	Obligations incurred, net		-5,183	
72.40	Obligated balance, start of year		400	<b>— 486</b>
74.40	Obligated balance, end of year		486	
90.00	Outlays		<b>-4,697</b>	<b>— 486</b>

This proposed rescission would return the elderly feeding program to its authorized level. The authorized level would subsidize more than 200 million meals for elderly persons who receive meals regardless of their financial circumstances.

# Department of Commerce [ECONOMIC DEVELOPMENT] GENERAL ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS (Rescission proposal)

Identilicat	ion code 13-2050-5-1-452	1985 actual	1986 est.	1987 est.
Р	rogram by activities:			
00.01	Planning grants		<b></b> 7,000	
00.02	Technical assistance grants		-7,300	
00.03	Development grants		- 59,609	
00.04	Economic adjustment grants		-25,400	
00.05			<b> 2,000</b>	
10.00	Total obligations (object class 41.0).		-101,309	
F	inancing:			
40.00	Budget authority (appropriation rescission proposal R86–14)		-101,309	
R	elation of obligations to outlays:			
71.01	Obligations incurred, net		-101,309	
72.40	Obligated balance, start of year			<b>-91.178</b>

#### **EXPLANATION OF OTHER MATERIALS**

This section includes the following material:

(a) A list of advance appropriations, as required by the Congressional Budget Act of 1974 (31 U.S.C. 1105(17)), a list of appropriations with advance funding provisions, and a list of appropriations with forward funding provisions.

(b) A statement of amendments and revisions to 1986 budget authority requests that were transmitted to the

(c) A statement of the amounts of appropriations requested for Offices of Inspectors General, as required by section 3 of the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255).

Congress after the 1986 Budget but prior to the trans-

mittal of the 1987 Budget, as required by section 601 of

the Congressional Budget Act of 1974.

# ADVANCE APPROPRIATIONS, ADVANCE FUNDING, AND FORWARD FUNDING FOR 1987

I. Advance appropriations are provided for use in a fiscal year, or more, beyond the fiscal year for which the appropriation act is passed. Advance appropriations in 1987 appropriations bills will provide funding for programs beyond 1987. Since these appropriations are not available until after 1987, the amounts will not be included in 1987 budget totals, but will be reflected in

the budget totals for the fiscal year requested.

The Congressional Budget Act of 1974 (31 U.S.C. 1105(17)) requires inclusion in the budget of "information on estimates of appropriations for the fiscal year following the fiscal year for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for that following fiscal year when the appropriations are authorized to be included in an appropriation law for the fiscal year before the fiscal year in which the appropriation is to be available for obligation." In fulfillment of this requirement, the table below lists those accounts authorized to receive, in 1987, advance appropriations for 1988 and later years. The listing is in two parts: Part A shows the amounts of advance appropriations included in the 1987 budget. Part B is a listing of accounts for which advance appropriations are authorized but not requested in the 1987 budget.

A. Accounts for which advance appropriations are included in the 1987 budget:

Department of Health and Human Services, except Social Security: 1

Assistance payments program (42 U.S.C., sec. 601) \$2,293,615 thousand for 1988.

Child support enforcement program (42 U.S.C., sec. 651) \$187,000 thousand for 1988.

Supplemental security income program (42 U.S.C., sec. 1381) \$2,765,000 thousand for 1988.

Special benefits for disabled coal miners (30 U.S.C., sec. 921) \$252,450 thousand for 1988.

Grants to States for medicaid (42 U.S.C., sec. 1396) \$7,100,000 thousand for 1988.

Department of Energy: Clean Coal Technology (Public Law 99-190), \$150,000 thousand for 1987; \$150,000 thousand for 1988.

Corporation for Public Broadcasting: \$200,000 thousand for 1987; \$214,000 thousand for 1988; \$130,000 thousand requested for 1989.

B. Accounts authorized to receive advance appropriations but for which none are requested in the 1987 budget:

Department of Agriculture:

Food program administration (42 U.S.C., sec. 1752). Food donations program (Public Law 93-29, sec. 209). Child nutrition programs (42 U.S.C., sec. 1752).

Department of Education. The following activities are authorized to receive advance appropriations (20 U.S.C. 1223 and 29 U.S.C. 703): <sup>2</sup>

Compensatory education for the disadvantaged.

Impact aid.

Special programs. Indian education. Bilingual education.

Immigrant education.

Education for the handicapped.

Payments to institutions for the handicapped. Rehabilitation services and handicapped research.

Vocational and adult education. Student financial assistance.

Guaranteed student loans.

Higher education.

Higher education facilities loans and insurance.

College housing loans.

Howard University.

Education research and improvement.

Libraries.

Education and research overseas (special foreign currency program).

Department of Health and Human Services: Family social services (Public Law 96-272).

Human development services (Public Law 97-35, sec. 657, Public Law 97-115, sec. 209).

<sup>1</sup> The accounts listed for the Department of Health and Human Services for which advance appropriations are requested for 1987 also are requesting advance funding (see section II).

<sup>2</sup> These statutes erroneously refer to "advance funding"; advance appropriations is what is described and clearly intended.

II. Advance funding is authority provided in appropriations acts to obligate and disburse funds during a fiscal year from a succeeding year's appropriation. The funds so obligated increase the budget authority for the fiscal year in which obligated and reduce the budget authority of the succeeding fiscal year. Essentially, this is a device for avoiding supplemental requests late in the fiscal year for certain entitlement programs should the appropriations for the current year prove to be too low. The table below lists those accounts for which advance funding authority is requested in the 1987 budget.

Department of Labor:
Federal unemployment benefits and allowances.
Special benefits.
Black lung disability trust fund.

III. Forward funding is authority provided in an appropriations act to obligate funds in one fiscal year for the financing of ongoing programs of grantees during the succeeding fiscal year. The budget authority for such programs is included in the budget totals for the year in which it is appropriated. This device is often used for education programs, so that grants can be made prior to the start of the school year. The language providing forward funding for education programs will specify that amounts appropriated will not be available until some time into the year of the appropriation (e.g., July 1, 1987) and in most cases will specify that such amounts will remain available until the end of the succeeding fiscal year. The table below lists those accounts for which forward funding is requested in whole or in part in the 1987 budget.

Department of Education:
Compensatory education for the disadvantaged.
Special programs.
Education for the handicapped.
Vocational and adult education.

In the training and employment area, forward funding is provided in some accounts by providing appropriations for a program year which starts in the fiscal year of the appropriation and extends into the following fiscal year. Program years running from July 1 to June 30 are authorized for training programs under the Job Training Partnership Act, State Employment Service operations under section 6 of the Wagner-Peyser Act, and senior citizen employment programs under Title V

of the Older Americans Act. The table below lists those accounts for which such forward funding is requested in the 1987 budget.

Department of Labor:
Training and employment services.
Community service employment for older Americans.
State Unemployment Insurance and Employment Services
Operations.

# STATEMENT OF AMENDMENTS TO AND REVISIONS IN BUDGET AUTHORITY FOR 1986

(Between the Transmittal of the 1986 and 1987 Budgets)

A statement of all amendments to or revisions in budget authority requested between transmittal of the 1986 budget and the 1987 budget is presented below. This statement is being included in the budget in accord with the Congressional Budget Act of 1974 (31 U.S.C. 1105(d)).

The modifications to requests for 1986 budget authority that were made through the course of the past year took three forms. If the Congress had not yet acted on a pending request, the President sent amendments to the budget requests transmitted in February 1985. If appropriations had been enacted, the President proposed

either supplemental budget authority or rescission of enacted appropriations.

Amendments and requests for supplemental appropriations are printed in the documents of the House of Representatives and the Senate that are identified in part A of the following listing. The President's proposals for rescissions are included in special messages to the Congress under the Impoundment Control Act of 1974 (Public Law 93-344). Both the special messages and monthly cumulative reports on the items they cover are printed in the Federal Register.

### PART A. AMENDED AND SUPPLEMENTAL REQUESTS RELATING TO 1986 BUDGET AUTHORITY

Transmitted to Congress on	Agencies affected	Printed as
April 15, 1985	Department of Energy, Arms Control and Disarmament Agency, Federal Trade Commission, Commission on the Bicentennial of the United States Constitution.	H. Doc. 99-52
May 15, 1985	International Security Assistance	H. Doc. 99-67
May 17, 1985	Legislative Branch, the Judiciary, Department of Energy, Department of the Treasury, Federal Home Loan Bank Board.	H. Doc. 99-69
May 22, 1985	Department of Commerce, Department of State	H. Doc. 99-72
June 7, 1985	Legislative Branch, the Judiciary	S. Doc. 99-6
June 26, 1985	Department of Energy, Environmental Protection Agency	S. Doc. 99-10
July 17, 1985	Department of Justice	H. Doc. 99-84
July 26, 1985	Various agencies (elimination of the proposed 5 percent Federal civilian pay cut)	H. Doc. 99-89
	Office of Science and Technology Policy, Departments of Health and Human Services, Department of Housing and Urban Development, Department of the Interior, Department of Justice, Department of Labor, Navajo and Hopi Indian Relocation Commission, Small Business Administration.	
Sept. 27, 1985	Military Assistance, Department of State, Department of Transportation, Small Business Administration.	H. Doc. 99-109
Oct. 31, 1985	Department of Commerce	H. Doc. 99-121
Dec. 23, 1985	Department of Agriculture	None

# PART B. REQUESTS FOR RESCISSION OF BUDGET AUTHORITY

There are no rescissions currently pending before the Congress. Rescission proposals associated with the 1987 budget request are shown in Part II of this appendix.

# APPROPRIATIONS REQUESTED FOR OFFICES OF INSPECTORS GENERAL

A statement of the amounts of appropriations requested for the Offices of Inspectors General for Federal departments or establishments is provided below. This statement is submitted in accordance with section 201 of the Budget and Accounting Act, 1921, as amended by section 3 of the Federal Managers' Financial Integrity Act of 1982, Public Law No. 97–255. The following table shows the amount of budget authority requested for 1987 for the Offices of Inspectors General.

Agency	1985 actual	1986 est.	1987 est.
Agriculture	46.3	44.5	46.5
Agency for International Development	19.1	21.0	21.8
Commerce	12.9	13.1	13.9
Defense	59.2	67.9	77.3

Education	15.3	14.7	16.4
Energy	21.7	20.8	21.1
Environmental Protection Agency	16.8	17.1	17.8
General Services Administration	21.3	20.0	21.1
Health and Human Services	1 73.4	70.4	69.7
Housing and Urban Development 2	24.7	24.7	24.7
Interior	16.9	15.4	16.3
Labor	43.7	40.5	41.5
National Aeronautics and Space Administration	5.0	5.1	5.1
Small Business Administration	5.8	6.0	5.0
State	4.8	4.9	5.0
Transportation	27.9	26.4	27.6
Treasury	4.9	5.0	4.8
Veterans Administration	19.5	18.6	18.3
*			
Total	439.2	436.1	453.9

<sup>&</sup>lt;sup>1</sup> Excludes State Medicaid Fraud Control Unit tunding.

<sup>&</sup>lt;sup>2</sup> Obligational level.

#### GOVERNMENT-SPONSORED ENTERPRISES

Part IV contains detailed budgets and explanatory statements of certain Government-sponsored enterprises. All of these enterprises were established and chartered by the Federal Government and are sponsored by a Government agency, although they are privately owned and generally privately financed. These budgets are not reviewed by the President; they are presented as submitted by the enterprises. This section includes:

—The Student Loan Marketing Association (SLMA); a corporation to assist in financing college student loans. It is sponsored by the Department of Education. —The Federal National Mortgage Association; a mortgage finance corporation supervised by the Department of Housing and Urban Development.

—The banks for cooperatives, Federal intermediate credit banks, and Federal land banks, supervised by

the Farm Credit Administration.

—The Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation, supervised by the Federal Home Loan Bank Board.

The Board of Governors of the Federal Reserve System provides calendar year data for its administrative budget for inclusion without further review. The Board's budget schedules and statements are provided here for information. the mortgage-backed securities are considered to be owned by the holders of these securities. Consequently, on the books of the Federal National Mortgage Association (Fannie Mae), these mortgages are not considered assets and the securities outstanding are not considered liabilities. However, the concepts of the budget of the U.S. Government consider these mortgages and mortgage-backed securities to be assets and liabilities, respectively, of Fannie Mae. For the purposes of this document, therefore, they are presented as assets and liabilities in the accompanying schedules. On the schedule of Status of direct loans for mortgage-backed securities, the items labeled "New loans" and "Recoveries: Repayments and prepayments" are budgetary terms. However, from the Corporation's perspective, these items are "Amounts issued" and "Amounts passed through to the holders of securities", respectively.

The forecast data contained in this material has been developed based on certain general economic assumptions prevalent in October 1985 and should not be construed as an official forecast of the Corporation's position.

Financial Condition (in thousands of dollars)

	1984 actual	1985 actual	1986 est.	1987 est.
Assets: Underlying mortgages	32.888.000	48.769.000	66,802,000	86,625,000
Liabilities: MBS outstanding	32,888,000	48,769,000	66,802,000	86,625,000

### MORTGAGE-BACKED SECURITIES

(Proposed legislation)

Program and Financing (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Program by activities: Total obligations (object class, other services) Financing:			4,205
Offsetting collections from: Non-Federal sources			
Outlays			

As part of the Government-sponsored enterprise user fee proposal, Fannie Mae will be assessed fees on the sale of mortgage-backed securities. In 1987, Fannie Mae will be charged a fee of .05 percent (5 basis points) on mortgage-backed securities sold after September 30, 1986. In 1988 and beyond, Fannie Mae will be charged a fee of .10 percent (10 basis points) on mortgage-backed securities sold after September 30, 1986. The fee will only apply to mortgages which Fannie Mae had purchased after the effective date of this proposal.

#### FARM CREDIT ADMINISTRATION

Banks for Cooperatives

Program and Financing (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Program by activities:			
Operating expenses:			
1. Operating costs	62,792	65.046	66.069
2. Interest on borrowings	868,796	738,462	738,595

	TAILIN VILLUTT AD	ministration	
Total operating expenses	931,588	803,508	804,664
Capital investment:			
1. Loans made	29,260,380	28,987,894	28,716,589
2. Purchase of fixed assets	566,811	264,488	90,425
Total capital investment	29,827,191	29,252,382	28,807,014
Other expenses:			
1. Federal and other income taxes	2,783	2,043	538
2. Borrowers' equities retired	132,974	386,739	400,575
3. Patronage refunds paid in cash	40,658	29,516	28,905
Total other expenses	176,415	418,298	430,018
Total obligations	30,935,194	30,474,188	30,041,696
Financing:			
Offsetting collections from: Non-Federal	21 462 170	20 207 700	20 205 224
Sources	-31,463,172	<b>—29,897,760</b>	- 29,206,334
year: Fund balance	-1,239,959	-1,207,497	-1,408,050
Unobligated balance available, end of	-,,	-,,	-, ,
year: Fund balance	1,207,497	1,408,050	1,335,174
Redemption of debt	560,440	1,400,030	1,000,174
Authority to borrow (perma-			
nent)		776,981	762,486
Relation of obligations to outlays:			
Obligations incurred, net	527,978	576,428	835,362
Receivables in excess of obligations,	, in the second		
start of year Receivables in excess of obligations, end	<b>—</b> 1,239,959	—1,207 <b>,</b> 497	-1,408,058
of year	1,207,497	1,408,050	1,335,174
Outlays	560,440	776,981	762,486
Status of Direct Loan	ns (in thousands	of dollars)	
Identification code 99-4120-0-3-351	1985 actual	1986 est.	1987 est.
Inclineation cone 33-4170-0-3-331	1303 actual	1300 €30.	1307 030.

Identificat	ion code 99-4120-0-3-351	1985 actual	1986 est.	1987 est.
P	osition with respect to appro- priation act limitation on ob- ligations:			
1111	Limitation on direct loans to the public			
1131	bligations exempt from limitation: Direct loans to the public	29,260,380	28,987,894	28,716,589
1150	Total direct loan obligations	29,260,380	28,987,894	28,716,589
C	umulative balance of direct loans outstanding:			
1210	Outstanding, start of year	8,648,140	7,533,166	7,706,630
1231	Disbursements: Direct loan dis- bursements	29,260,380	28,987,894	28,716,589
1251	Repayments: Repayments and pre- payments	30,375,354	28,814,430	28,356,287
1290	Outstanding, end of year <sup>1</sup>	7,533,166	7,706,630	8,066,932

<sup>1</sup> Excludes nonaccrual loans and sales contracts.

The 13 banks for cooperatives are under the general supervision of the Farm Credit Administration. They finance the operations of farmers' cooperatives. The funds to finance these loans are obtained primarily from sales of bonds to the public and from their own capital funds. The bonds issued by the banks are not guaranteed by the U.S. Government either as to principal or interest. All of their expenses are paid from their own income and are not included in the budget of the United States. Included in these expenses is the banks' share of the costs of the Farm Credit Administration.

#### BANKS FOR COOPERATIVES-Continued

The Farm Credit Act of 1955 provided for eventual ownership of the banks by farmers' cooperatives and the retirement of the U.S. Government's investment. This was accomplished on December 31, 1968, when the remainder of the U.S. Government capital was retired.

The banks for cooperatives presently operate under authorities contained in title III of the Farm Credit Act of 1971, Public Law 92-180, as amended.

Revenue and Expense (in thousands of dollars)					
	1985 actual	1986 est.	1987 est.		
Operating income or loss ( — ):  Revenue  Expense	1,055,066 931,588	923,732 803,508	924,229 804,664		
Net operating income, total	123,478	120,224	119,565		
Nonoperating loss: Other gains or losses Federal and other income taxes	- 26,837 - 2,783	—18,436 —2,043	- 15,828 - 538		
Net nonoperating loss	- 29,260	<b>— 20,479</b>	-16,366		
Net income for the year	93,858	99,745	103,199		

#### Financial Condition (in thousands of dollars) 1

	1984 actual <sup>2</sup>	1985 actual	1986 est.	1987 est.
Assets:				
Cash	20,975	19,900	14.632	14,826
U.S. securities (par)	49,918	48,754	36,950	21,950
Other securities	842,748	1,451,211	1,310,976	1,350,113
Accounts and notes re-	· ·		-,,-	-,,
ceivable (net)	280,823	208,125	283,693	293,778
Selected assets:		·	,	,
Deferred charges	5,618	6,679	8,202	8,126
Other assets	9,002	11,460	365,378	416,714
Loans to coopera-		,	,	,
tives 2 3	8,648,136	7,751,047	7,735,445	8,050,521
Assets acquired (net)	3,523	6,327	12,371	16,373
Fixed assets (net)	40,876	54,201	47,791	49,230
Total assets	9,901,619	9,557,704	9,815,438	10,221,631
Liabilities:				
Accounts payable and				
accrued liabilities	200,542	161,077	190,509	212,142
Provision for losses	136,018	122,381	131,229	131,921
Bonds and notes pay-		•	- ,	,
able (net)	8,325,100	8,066,749	8,085,650	8,542,346
Total liabilities	8,661,660	8,350,207	8,407,388	8,886,409
Net equity	1,239,959	1,207,497	1,408,050	1,335,222
Total liabilities				
and net equity	9,901,619	9,557,704	9,815,438	10,221,631

Analysis	of	changes	in	net	equity:	

nalysis of changes in net equity:			
Paid-in capital:			
Opening balance	826,461	832,376	1,010,410
Transactions: Acquisitions, net	5,915	178,034	58,354
Closing balance	832,376	1,010,410	952,056
Retained income:			
Opening balance	413,498	375,121	397,640
Net operating income	93,858	99,745	103,199
Patronage refunds	-40,658	-27,925	-26,965
Surplus other	-3,225	-24,413	-22,135

Allocated surplus revolved into capital stock and paid in cash	<b>— 88.352</b>	<b> 24.888</b>	<b></b> 68.573
Closing balance	375,121	397,640	383,166
Total net equity (end of year)	1,207,497	1,408,050	1,335,222

<sup>1 1984</sup> and 1985 data contains intersystem eliminations

#### Object Classification (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Personnel compensation: Full-time permanent	26,620	27,602	28,343
Personnel benefits: Civilian	7,262	7,688	7,877
Travel and transportation of persons	3,149	3,519	3,559
Communications, utilities, and miscellaneous			
charges	4,978	4,846	4,923
Printing and reproduction	811	1,035	1,089
Other services	17,487	17,358	17,220
Equipment	2,477	2,998	3,058
Lands and structures	504,035	196,442	24,356
Investments and loans	29,260,380	28,987,894	28,716,589
Interest and dividends	868,796	738,462	738,595
Undistributed:			
Operating expenses	62,784	65,046	66,069
Federal and other income taxes	2,783	2,043	538
Borrowers' equities retired	132,974	386,739	400,575
Patronage refunds paid in cash	40,658	29,516	28,905
Total obligations	30,935,194	30,471,188	30,041,696

#### BANKS FOR COOPERATIVES

#### (Proposed legislation)

#### Program and Financing (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Program by activities:			
Total obligations (object class, other services)			158
Financing:			
Offsetting collections from: Non-Federal sources			
Outlays			

The 1987 Budget proposes legislation that would impose on all Government-sponsored enterprises a fee on new securities issued after September 30, 1986. The purpose of this fee is to reimburse the Federal Government for the borrowing advantages these enterprises enjoy as a result of their special relationship with the Government. As part of this proposal, the Banks for Cooperatives (BC's) will be charged a fee on net new securities issuances, defined as:

- -any increase above the level of BC securities outstanding on September 30, 1986, plus
- -the lesser of:
  - -BC debt issued prior to 1987 rolling over in 1987 and beyond, or
  - -repayments and prepayments of loans made prior to 1987.

This fee will begin at .01 percent (1 basis point) in 1987, rising to .05 percent (5 basis points) in 1988, .10 percent (10 basis points) in 1989, .30 percent (30 basis points) in 1990, and .50 percent (50 basis points) in 1991 and beyond.

<sup>&</sup>lt;sup>2</sup> Revised to reflect full year actual data for 1984.

<sup>3</sup> Includes nonaccrual loans and sales contracts.

FEDERAL INTERMEDIATE CREDIT BANKS
Program and Financing (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Program by activities: Operating expenses:			
Operating costs  Interest on borrowings	100,636 1,651,780	99,060 1,258,309	98,868 1,132,190
Total operating expenses	1,752,416	1,357,369	1,231,058
Capital investment:			
Loans made     Purchase of fixed and other assets	13,390,386 404,273	12,716,416 5,864	12,078,109
Total capital investment	13,794,659	12,722,280	12,078,109
Other expenses: Patronage refunds	-106,431	-43,691	<b>—41,566</b>
Total obligations	15,440,644	14,035,958	13,267,601
	<b>—18,572,360</b>	<b>— 16,562,121</b>	<b>— 13,402,983</b>
Unobligated balance available, start of year: Fund balance	<b> 2,020,999</b>	<b>—1,975,687</b>	<b>— 2,004,167</b>
Unobligated balance available, end of year: Fund balance	1,975,687 3,131,716	2,004,167 2,526,163	2,036,904 135,382
Authority to borrow (permanent)			
Relation of obligations to outlays: Obligations incurred, net	-3,007,743	-2,526,163	135,382
Receivables in excess of obligations, start of year	<b> 2,020,999</b>	<b>—1,975,687</b>	<b> 2,004,167</b>
Receivables in excess of obligations, end of year	1,975,687	2,004,167	2,036,904
Outlays	-3,053,055	<b>— 2,497,683</b>	- 102,645
Status of Direct Loans	(in thousands	of dollars)	
dentification code 99-4140-0-3-351	1985 actual	1986 est.	1987 est.
Positions with respect to appropriation act limitations on obligations:  1111 Limitations on direct loans to the public			
Obligations exempt from limitations: 1131 Direct loans to the public	13,390,386	12,716,416	12,078,109
Total direct loan obligations	13,390,386	12,716,416	12,078,109
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year 1231 Disbursements: Direct loan dis-	18,993,109	15,624,670	13,208,505
bursements. Repayments and pre-	13,390,386	12,716,416	12,078,109
	-16,758,825	-15,132,581	-12,103,838
payments	-10,730,023		

<sup>1</sup> Excludes nonaccrual loans and sales contracts.

The 12 Federal intermediate credit banks are under the general supervision of the Farm Credit Administration. They serve as banks of discount for agriculture, discounting agricultural and livestock paper for, and making loans to local financing institutions such as production credit associations, agricultural credit corporations, livestock loan companies, and commercial banks. They also provide the production credit associations with necessary supervision and services.

The banks' lending funds are obtained primarily from the sale of bonds to the public and from their own

capital funds. The bonds are not guaranteed by the U.S. Government either as to principal or interest. All of their expenses are paid from their own income and are not included in the budget of the United States. Included in these expenses is the credit banks' share of the costs of the Farm Credit Administration.

The banks were originally wholly owned Government corporations set up exclusively as banks of discount; however, pursuant to the Farm Credit Act of 1956, the banks become mixed-ownership corporations and were made responsible for supervising the production credit associations and assisting them to make sound credit available to farmers.

All of the capital stock of the Federal intermediate credit banks, from organization in 1923 to December 31, 1956, was held by the U.S. Government. The 1956 act provided a long-range plan for the eventual ownership of the credit banks by the production credit associations and the gradual retirement of the Government's investment in the banks. This retirement was accomplished in full on December 31, 1968.

The Federal intermediate credit banks presently operate under authorities contained in title II of the Farm Credit Act of 1971, Public Law 92-181, as amended.

Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Operating income or loss:			
Revenue	1,998,354	1,540,312	1,386,449
Expense	1,752,416	1,357,369	1,231,058
Net operating income, total Nonoperating income or loss: Other gains	245,938	182,943	155,391
or losses (—)	<b>—246,115</b>	—132,785	-100,085
Net income for the year	<u></u>	50,158	55,306

#### Financial Condition (in thousands of dollars)

	1984 actual 1	1985 actual	1986 est.	1987 est.
Assets:				
Cash	54,105	58,467	34,702	34,550
U.S. securities (par)	241,896	225,291	244,912	168,568
Other securities	837,702	1,449,273	1,372,526	1,474,754
Accounts and notes re-	,	, ,		
ceivable (net)	626,753	486.980	327,518	313,444
Selected assets:	,	· ·		
Deferred charges	10.611	7,513	8,746	9,749
Other assets	13,156	41,125	310,841	292,170
Loans and dis-	20,-00	,		,
counts 1 2	18.993.107	15,733,188	13.256.862	12,530,276
Fixed assets (net)	142,591	81,496	96,643	95,040
` '	<del></del>			
Total assets	20,919,921	18,083,333	15,652,750	14,918,551
Liabilities:				
Accounts payable and				
accrued liabilities	621,221	534.260	374,105	352,009
Provision for losses	10.757	51,006	69,694	68,297
Bonds and notes pay-	,			
able (net)	18,266,944	15,522,380	13,204,784	12,461,341
Total liabilities	18,898,922	16,107,646	13,648,583	12,881,647
Net equity	2,020,999	1,975,687	2,004,167	2,036,904
Total liabilities				
and net equity	20.919.921	18.083,333	15,652,750	14,918,551
and net equity	20,313,321	10,000,000	13,002,700	11,010,001
Analysis of changes in ne	t equity:			
Paid-in capital:				
Opening balance		1,351,355	1,412,561	1,434,664

# FEDERAL INTERMEDIATE CREDIT BANKS—Continued Financial Condition (in thousands of dollars)—Continued

	1985 actual	1986 est.	1987 est.
Transactions: Acquisitions, net	61,296	22,013	18,997
Closing balance	1,412,651	1,434,664	1,453,661
Retained income: Opening balance Transactions:	669,644	563,036	569,503
Net operating income Patronage refunds	—177 —106,431	50,158 — 43,691	55,306 —41,566
Closing balance	563,036	569,503	583,243
Total net equity (end of year)	1,975,687	2,004,167	2,036,904

Revised to reflect full-year actual data for 1984.
 Includes nonaccrual loans and sales contracts.

#### Object Classification (in thousands of dollars)

	1005 patual	1986 est.	1987 est.
	1985 actual	1300 621.	1307 ක.
Personnel compensation: Full-time permanent	49,716	50,133	48,519
Personnel benefits: Civilian	12,912	12,058	11,972
Travel and transportation of persons	4,822	5,098	4,875
Communications, utilities, and other rent	9,681	9,415	9,314
Printing and reproduction	2,301	2,195	2,169
Other services	12,253	12,039	12,336
Equipment	8,666	8,867	8,626
Lands and structures	404,558	5,119	1,057
Investments and loans	13,390,386	12,716,416	12,078,109
Interest and dividends	1,651,780	1,258,309	1,132,190
Undistributed: Operating expenses; patronage re-			
funds	106,431	<b>— 43,691</b>	<b>—41,566</b>
Total obligations	15,440,644	14,035,958	13,267,601

# FEDERAL INTERMEDIATE CREDIT BANKS (Proposed legislation)

#### Program and Financing (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Program by activities:			
Total obligations (object class, other services)	•••••		251
Financing:			
Offsetting collections from: Non-Federal sources			<b>—251</b>
Outlays			

The 1987 Budget proposes legislation that would impose on all Government-sponsored enterprises a fee on new securities issued after September 30, 1986. The purpose of this fee is to reimburse the Federal Government for the borrowing advantages these enterprises enjoy as a result of their special relationship with the Government. As part of this proposal, the Federal Intermediate Credit Banks (FICB's) will be charged a fee on net new securities issuances, defined as:

—any increase above the level of FICB securities outstanding on September 30, 1986, plus

—the lesser of:

-FICB debt issued prior to 1987 rolling over in 1987 and beyond, or

-repayments and prepayments of loans made prior to 1987.

This fee will begin at .01 percent (1 basis point) in 1987, rising to .05 percent (5 basis points) in 1988, and .10 percent (10 basis points) in 1989, .30 percent (30 basis points) in 1990, and .50 percent (50 basis points) in 1991 and beyond.

#### FEDERAL LAND BANKS

Program and Financing (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Program by activities: Operating expenses:			
1. Operating cost 2. Interest on borrowings	267,128 5,390,028	315,403 5,017,586	315,647 4,550,806
Total operating expenses	5,657,156	5,332,989	4,866,453
Capital investment: 1. Loans made 2. Purchase of fixed and other assets	1,444,526 1,518,737	1,660,374 782,241	1,876,156 169,686
Total capital investment Other expenses: Provision for losses	2,963,263 915,639	2,442,615 987,325	2,045,842 976,861
Total obligations	9,536,058	8,762,929	7,889,186
Financing: Offsetting collections from: Non-Federal sources	<b>— 12,913,865</b>	<b></b> 9,004,064	<b>— 8,887,659</b>
Unobligated balance available, start of year: Fund balance Unobligated balance available, end of	6,067,671	- 5,359,644	<b>4,534,914</b>
year: Fund balance	5,359,644	4,534,914	3,712,151
Authority to borrow (permanent)	<b> 4,085,834</b>	-1,065,865	<b>— 1,821,236</b>
Relation of obligations to outlays: Obligations incurred, net	-3,377,807	<b>—241,135</b>	<b>—</b> 998,473
Receivables in excess of obligations, start of year Receivables in excess of obligations, end	<b> 6,067,671</b>	- 5,359,644	<b>-4,534,914</b>
of year	5,359,644	4,534,914	3,712,151
Outlays	<b>-4,085,834</b>	-1,065,865	-1,821,236

### Status of Direct Loans (in thousands of dollars)

Identifica	Identification code 99-4160-0-3-371		1986 est.	1987 est.
Position with respect to appropriations act limitation on obligations:  1111 Limitations on direct loans to the public Obligations exempt from limitation:				
1131	Direct loans to the public	1,444,526	1,660,374	1,876,156
1150	Total direct loan obligations	1,444,526	1,660,374	1,876,156
(	Cumulative balance of direct loans out- standing:			
1210	Outstanding, start of year	52,443,615	45,935,469	43,469,539
1231	Disbursements: Direct loan disbursements	1,444,526	1,660,374	1,876,156
1251	Repayments: Repayments and prepayments	7,952,672	4,126,304	5,116,976
1290	Outstanding, end of year 1	45,935,469	43,469,539	40,228,719

<sup>1</sup> Excludes nonaccrual loans and sales contracts.

The Federal land banks, through the 438 Federal land bank associations, which are located at the local level, make long-term real estate loans to farmers and ranchers. These banks and associations are under the general supervision of the Farm Credit Administration. The funds to finance these loans are obtained primarily from the sale of the banks' bonds to the public and from their own capital funds. These bonds are not guaranteed by the U.S. Government either as to principal or interest. All of their expenses are paid from their income and are not included in the budget of the United States. Included in these expenses is the land banks' share of the costs of the Farm Credit Administration.

The last of the Government capital that had been invested in the banks was repaid in 1947.

The Federal land banks presently operate under authorities contained in title I of the Farm Credit Act of 1971, Public Law 92–181, as amended.

#### Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Operating income or loss (—):	F 000 000	F 450 500	4 000 054
Revenue Expense	5,939,639 5,657,156	5,456,522 5,332,989	4,923,254 4,866,453
Net operating income, total Nonoperating income: Other gains	282,483 774,373	123,533 311,856	56,801 629,652
Net income for the year	491,890	-188,323	<b>— 572,851</b>

#### Financial Condition (in thousands of dollars)

	1984 actual 1	1985 actual	1986 est.	1987 est.
Assets:			-	
Cash	23,482	54,345	43,425	44,583
U.S. securities (par)	340,801	306,919	757,627	746,755
Other securities	534,080	1,680,165	1,499,910	1,295,974
Accounts and notes re-	00.,000	2,000,200	-,,	5,255,57
ceivable (net)	2,840,134	2,882,805	2,405,584	2,147,871
Selected assets:	2,0.0,20.	_,00_,000	_,,	_,_,_,_
Deferred charges	52,826	76,517	61,649	52,853
Other assets	23,451	23,860	373,898	621,953
Mortgage loans 2	52,148,311	48,679,559	44,674,607	41,572,500
Delinguent install-	32,140,311	40,073,333	44,074,007	41,372,300
ments, etc	295,303	575,306	526,755	419,211
Fixed assets (net)	395,971			
rixed assets (flet)	393,971	803,383	1,588,379	2,087,249
Total assets	56,654,359	55,082,859	51,931,834	48,988,949
Liabilities:				
Accounts payable and				
accrued liabilities	2,417,864	2,558,233	2,321,185	2,240,504
Provision for losses	537,124	915,639	987,325	976,861
Bonds and notes pay-	007,124	310,003	301,323	370,00
able	47,631,700	46,249,343	44,088,407	42,059,433
Total liabilities	50,586,688	49,723,215	47,396,917	45,276,798
Net equity	6,067,671	5,359,644	4,534,917	3,712,151
Total liabilities				
and net equity	56,654,359	55,082,859	51,931,834	48,988,949
Analysis of changes in ne Paid-in capital and parti cates:				
Opening balance		2,875,212	2,671,139	2,404,23
Transactions: Acquisition	nns net	- 204,073	- 266,906	- 522,919
		<u> </u>	<del></del>	
Closing balance		2,671,139	2,404,233	1,881,31
Retained income:				
Opening balance		3,192,459	2,688,505	2,130,68
Transactions: Transfer				
for losses		<b>— 12,064</b>	381,200	265,58
Net operating income		<b>- 491,890</b>	188,323	<b>— 572,85</b>
Dividends			11,702	7,42
Closing balance		2,688,505	2,130,684	1,830,83
Greening Baranteenminn				

<sup>1</sup> Revised to reflect full year actual data for 1984.

#### Object Classification (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Personnel compensation: Full-time permanent	53,812	52,143	50,361
Personnel benefits: Civilian	13,408	14,539	14,118

Travel and transportation of persons	4,490	4,353	4,250
Communications, utilities, and other rent	9,892	8,730	8,467
Printing and reproduction	2,598	2,332	2,274
Other services	29,744	32,146	30,467
Equipment	8,847	8,715	8,503
Lands and structures	2,434,376	1,757,863	1,139,156
Investments and loans	1,444,526	1,660,374	1,876,156
Interest and dividends	5,390,028	5,045,455	4,574,136
Undistributed operating expenses	144,337	176,279	181,298
Total obligations	9,536,058	8,762,929	7,889,186

# FEDERAL LAND BANKS (Proposed legislation)

#### Program and Financing (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Program by activities:			
Total obligations (object class, other services)			256
Financing:			
Offsetting collections from: Non-Federal sources			<b>— 256</b>
Net change in borrowing authority	,		
Outlays			

The 1987 Budget proposes legislation that would impose on all Government-sponsored enterprises a fee on new securities issued after September 30, 1986. The purpose of this fee is to reimburse the Federal Government for the borrowing advantages these enterprises enjoy as a result of their special relationship with the Government. As part of this proposal, the Federal land banks will be charged a fee on net new securities issuances, defined as:

—any increase above the level of Federal land bank securities outstanding on September 30, 1986, plus
—the lesser of:

-Federal land bank debt issued prior to 1987 rolling over in 1987 and beyond, or

—repayments and prepayments of loans made prior to 1987.

This fee will begin at .01 percent (1 basis point) in 1987, rising to .05 percent (5 basis points) in 1988, .10 percent (10 basis points) in 1989, .30 percent (30 basis points) in 1990, and .50 percent (50 basis points) in 1991 and beyond.

### FEDERAL HOME LOAN BANK BOARD

#### FEDERAL HOME LOAN BANKS

	1985 actual	1986 est.	1987 est.
Program by activities:			
Operating expenses:			
Administrative expenses	197,749	326,000	393,000
Interest on consolidated obliga-			
tions	7,649,779	9,700,000	12,000,000
Interest on members' deposits	1,468,760	1.600.000	1,748,000
Interest on interbank borrowing.	172.652	150,000	155,000
Interest—other	61.390	85,000	80,000
Dividends on capital stock	976.941	950,000	1,000,000
Federal Home Loan Bank Board	0,0,0		.,,
assessments	12,518	14,000	15.000
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Total expenses	10,539,789	12,825,000	15,391,000
Capital investment:			
Investment in bank premises	13,226	15,000	. 16,000
Advances to members	124,916,334	100,000,000	105,000,000

<sup>&</sup>lt;sup>2</sup> Includes nonaccrual toans and sales contracts.



